



Daily Report

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Daily Report

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General

Qian Qichen Reviews 1990 Foreign Affairs

OW1712094790 Beijing in Mandarin to Taiwan
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[Text] According to a report by RENMIN RIBAO, during an exclusive interview with a RENMIN RIBAO reporter recently, Chinese Foreign Minister Qian Qichen said: The year 1990 has been one in which China has achieved breakthroughs and made progress in its foreign affairs. The progress may be summed up in the following three areas. First, China enjoys the best relations in 40 years with its neighbors. Second, China has further expanded its relations with Third World countries. Third, relations between China and Western countries are being restored step by step.

Foreign Minister Qian Qichen said: In 1990, China established formal diplomatic relations with the Republic of Namibia, the Kingdom of Saudi Arabia, the Republic of Singapore, and the Republic of the Marshall Islands; resumed diplomatic relations with Indonesia; and normalized relations with the USSR. The China Chamber of International Commerce will set up a trade representative's office in South Korea, while the economic organization of South Korea will concurrently set up a trade representative's office in China, to meet the needs of economic development and trade increases. Following resumption of diplomatic relations with Indonesia and the establishment of diplomatic relations with Singapore, China has entered into a new phase of full-fledged development in its friendly and cooperative relations with ASEAN. Sino-Vietnamese relations can also be expected to normalize as a comprehensive political settlement of the Cambodian issue is gradually realized. China is improving and expanding its relations with India. It should be said that China is now enjoying the best relations in 40 years with her neighbors.

Further on Assertions

HK1512025190 Hong Kong SOUTH CHINA
MORNING POST in English 15 Dec 90 p 11

[By Willy Wo-Lap Lam]

[Text] China is asserting itself on the international scene by playing a major role in building "a new international political order", Foreign Minister Mr Qian Qichen has said.

In an interview with the official party journal SEEKING TRUTH, Mr Qian hinted that China would not acquiesce in the international power relationship brought about by the rapprochement between the United States and the Soviet Union.

He also reiterated China's bid to be the leader of the Third World.

"The new international order should be set up on the basis that all independent nations, no matter how big or

small...should establish mutual political and economic relationships in line with the five principles of peaceful co-existence," Mr Qian said.

He warned: "There cannot be a new order if the world is dominated by the superpowers, a few big powers or a rich-nation club."

He also criticised the international order engendered by the US-Soviet detente as one that was prone to conflicts.

"The detente—even compromise and co-operation—between the US and the USSR will not bring peace and quiet to the world, as some people have said.

"Actually, new contradictions have taken shape and are becoming more acute," he said.

It was senior leader Mr Deng Xiaoping who, in 1988, proposed that a new international political and economic order be set up in accordance with the principles of peaceful co-existence, he said.

Diplomatic analysts say Mr Qian's remarks reflect Beijing's fears, first raised by party elders including Mr Deng, that as a result of the decline of the Eastern Bloc, the world would be dominated by the US.

Having repaired the damage the Tiananmen Square massacre has done to its international prestige, Beijing is ready to jostle for position with the two superpowers.

Expressing China's new-found confidence, Mr Qian said: "Now that the domestic situation is stable and the economy has developed, there is a strong and solid foundation for expanding external relations."

As examples of Beijing's ability to play a leading role in world affairs, Mr Qian cited China's contribution to the solution of the Cambodian conflict and the Gulf crisis.

He indicated that China would continue to tap the support of the Third World, "whose just demands and reasonable stands" it endorsed.

Analysts say Beijing's new-found assertiveness has been evident in the past week in its acerbic criticism of alleged "interference in Chinese affairs" by Western countries on the question of human rights and Taiwan.

In his interview, Mr Qian attacked "some Americans who are making indiscreet remarks on the internal affairs of another country".

Yesterday, Beijing called in the Norwegian ambassador to China to lodge a formal complaint over meetings between overseas dissident Ms Chai Ling and both the Norwegian Foreign Minister and the head of parliament.

Beijing has also kept up its rhetoric against countries that are boosting quasi-diplomatic and other ties with Taiwan.

A ministry spokesman said yesterday that Italian arms sales to Taiwan would hamper the island's reunification with China and jeopardize Asian stability.

It was reacting to news that Italian firm Aeritalia was trying to sell its AMX fighter-trainers and G222 transport planes to the Kuomintang administration.

"We have always been opposed to the sale of any kind of weapons or provision of production technologies to Taiwan by any country," a Foreign Ministry spokesman said.

U.S.-South Korea Defense Deal Examined

HK1712064590 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 50, 10 Dec 90 p 27

["Special Dispatch" by Li Nengqing (7812 5174 3237): "A 'Security Guarantee' Deal Between South Korea and the United States"]

[Text] Pyongyang, (LIAOWANG OVERSEAS EDITION)—The 22d "Korean-American Security Guarantee Coordination Meeting" between South Korea and the United States, which closed recently in Washington, brought forth a "Joint Declaration." There are five points in it that attract attention: (1) The U.S. forces stationed in South Korea will gradually pull out; (2) the United States will transfer the command of the "Korean-American Joint Command" to Korea step by step; (3) an agreement on military aid in times of war will be concluded; (4) South Korea will be responsible for a larger share of the expenditure on the U.S. forces stationed in Korea; (5) the United States will transfer the post of first commissioner from the UN forces in the Korean Military Armistice Commission to South Korea. If these five points gradually come to fruition in the first half of the 1990's, the military strength and structure in South Korea will undergo a complete change, which will in turn affect the situation in the Korean Peninsula and Asia. This inevitably causes concern among various parties.

After the ceasefire was reached in Korea, American troops stayed in South Korea. More than 10,000 of them were withdrawn in the 1960's and over 20,000 in the 1970's. There are now still over 40,000 stationed in South Korea. According to some Western news agencies, the American troops established 120 bases in South Korea, including 18 air bases, two naval bases, and 100 ground force bases. The principal force bases are located in (Tongtuchon) [dong dou chuan 2639 6258 1557] and (Ryongsan) [long shan 7893 1472], Seoul. Besides, there are four air bases in (Musan) [wu shan 3527 1472], (Kunsan) [qun shan 5028 1472], (Taechu) [da qiu 1129 6726], and (Suwon) [shui yuan 3055 0626]. As early as in 1975, the United States revealed that it had placed strategic nuclear weapons in South Korea. Afterwards, the U.S. troops gradually dispatched modernized aircraft, tanks, and other nuclear weapons into South Korea. According to a report in SEOUL SHINMUN, in 1987, the United States and South Korea brought F-16

fighter planes equipped with nuclear weapons into the annual military maneuvers "Team Spirit." Last December, the new M1-A1 tanks from the United States were transported to Pusan, South Korea. The United States has also allowed South Korea to assemble the advanced F-18 fighter planes, 120 of which will be assembled in 1992 according to the South Korean plan. In January this year, South Korea bought 20 early-warning planes from Britain.

Facts show that while withdrawing troops from South Korea in a planned, gradual way, the United States has been energetically equipping South Korean forces and promoting its modernization. According to the International Institute for Strategic Studies in Britain, South Korea now boasts a regular military strength of over 600,000; a surface-to-surface missile battalion and three surface-to-air missile battalions for the army; an air force of 24,000, equipped with over 250 aircraft including F-4 Phantom fighter planes; a navy of 16,000, equipped with more than 50 missile craft, landing ships, and so on. Besides, South Korea also has "civilian defense corps" (i.e. paramilitary forces) of more than 2.6 million. They receive military training regularly each year. In December, former South Korean Defense Minister Yi Sang-hun said that in the 1990's, the national defense of South Korea will be in their own hands and modernized. The annual military expenditure in South Korea has risen from over 100 million U.S. dollars in the 1970's to about 300 million U.S. dollars now.

Either in terms of the size or the weaponry and equipment of its armed forces, South Korea has a mighty military strength, but it is still being constrained by the United States. The "Korean-American Joint Command" founded in 1978 has an American General and a South Korean General as its commander and deputy commander respectively, and an American Lieutenant General as chief of staff. The commander of the joint command is concurrently commander of the ground forces with the full power to conduct battles. The establishment and deployment of South Korea's armed forces are also under the control of the United States. Now that the United States has agreed to gradually pass the command to South Korea, some structural changes in the South Korean forces will take place. When withdrawing, the U.S. forces will leave their military bases and some nuclear weapons behind for South Korea, which will redouble the latter's military might. A radio station in South Korea commented: In the past, South Korea has always been in a passive position in its military cooperation with the United States. After South Korea obtains the command, the two sides will stand on equal footing and become military partners in the true sense of this term.

South Korea is where American strategic interests lie and the United States will not easily let it go. Now, the United States wants to free itself from South Korea and push the latter to the foreground to be confronted directly with North Korea. This inevitably entails an increase of South Korea's deterrent power. The United

States wants to show through this that South Korea is an "independent sovereign country." It also wants to spend less or no money, and yet preserve its strategic interests in South Korea and Asia.

The Foreign Ministry spokesman of the Democratic People's Republic of Korea made a statement to condemn the "joint declaration" issued at the "Korean-American Security Guarantee Coordination Meeting." The statement says that the content of the 22d "Korean-American Security Guarantee Coordination Meeting" was tending toward an international detente, in an attempt to discontinue the on-going north-south dialogues in Korea. Especially when it was time to discuss and sign the nonaggression treaty between the north and the south of Korea at the North-South Summit, the United States and the South Korean authorities went so far as to openly oppose one of the parties to the dialogues. This is a challenge to the alleviation of tension in the Korean Peninsula.

Chen Muhua Hosts UN Women's Official

*OW17121890 Beijing XINHUA in English
1139 GMT 17 Dec 90*

[Text] Beijing, December 17 (XINHUA)—Chen Muhua, vice-chairperson of the Chinese National People's Congress Standing Committee and chairperson of the All-China Women's Federation, met with and gave a dinner for Chafika Sellami Meslem, a United Nations official, here this evening.

During her stay in China, Sellami, director of the Women's Condition Division of the U.N. Social Development and Humanitarian Affairs Center, will learn more about the status and condition of the Chinese women in the political, economic, educational and family fields.

Major Changes in World Pattern Viewed

*HK1412124990 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 50, 10 Dec 90 pp 26, 27*

[Article by Wang Lin (3769 2651): "Some Views on the Great Changes in the World Pattern"]

[Text] One. The question of a new world pattern is presently being examined and discussed by both the domestic and international media. They all contend that the post-war pattern characterized by U.S.-USSR confrontation has been broken and will be replaced by a multipolar structure. But there are many different views on how the multipolar structure will develop, what kind of a multipolar structure will emerge, and how it will affect the world's economy, politics, and military. Naturally, some of the elements of the old pattern are disappearing while others are still intact. Meanwhile, some elements of the new pattern have just emerged, with many others still in the process of fermentation. **The transition from a bipolar world pattern to a multipolar one will take time, and will be determined by the growth**

and decline as well as the division and merger of various forces. Many people estimate that the process could take 10 years. While the duration of what the Western press describes as the "model transition period" is not very long, the change from old to new, and the race between strong and weak are very intense. This complex and ever changing situation also holds many contradictions. Even as the military confrontation between the United States and the Soviet Union, and between the East and West is ending, and the momentum for detente and dialogue is making headway, all kinds of new contradictions are also growing: The gap between the rich and the poor is widening, while nationalist and separatist sentiments are on the upsurge, creating great instability, upheavals, and conflicts. No doubt, an observation and study of this transition period is of vital importance.

Two. Even though its economic power has been greatly weakened in more than four decades of cold war, the United States continues to enjoy a superior economic, political, and military position in the world. With the decline of the Soviet Union's superpower status, **the United States will remain as the world's "all-around champion" for a fairly long period of time.** Under the pretext of "defending the new world order", it will continue to pursue its global strategy and endeavour to steer world changes into a path favorable to itself in order to preserve its leading position in the world. But, on the other hand, as its economic power wavers, it is concerned about the deepening trouble in the domestic economy, and of falling further behind Japan and Germany. Its situation may be likened to what U.S. press describes as "an intriguing combination of superpower and beggar". Hence, **the United States' strategy is to drag everyone into sharing its responsibility of defending the capitalist world, and for everyone to contribute money and efforts according to its capability.** Early this year, U.S. President Bush already announced a "New Atlanticism" with the European Community, and a "global partnership relation" with Japan, and urged that "the United States, Europe, and Japan carry out more frequent political consultation and coordination". The seven powers' summit has expanded its discussion of mutually-related economic issues to global political and economic problems, and is becoming more and more a venue for exchanges on their monopoly of world affairs. The western press even proclaimed that the United States, Europe, and Japan are "moving toward a tripolar world" through these consultations and coordination. Naturally, the United States also needs to enlist the support of the United Nations. For the first time ever, Bush praised the "United Nations as a venue where international support and consensus are formulated to meet the challenges confronting us." This very contradictory position of the United States will be further exposed in the future.

Three. Undoubtedly, Japan and Germany will become strong world powers, but at the moment, they are still "individual champions" in economic affairs. Time, as well as the development of other internal and external conditions, will be needed before they can become "all-around

champions". Japan's economic power will continue to grow; as will its economic influence. As to whether it will become a political and military power or not, the kind of obstacles and difficulties it will encounter, and how smoothly the development will take place—all these remain to be seen. Germany will exert an increasingly bigger influence within the European Community as well as throughout Europe. Whether it will promote or delay the development of the European Community and the integration of Europe, whether it will be a "European Germany" or a "German Europe"—this will have to come under observation. The United States enjoys very close economic relations with Japan and Europe and all three need each other politically. **Henceforth, the United States will rely on support from Japan and Europe in world affairs, including political and economic matters, while Japan and Europe will use the opportunity to expand their own influence and develop their strengths.** The alliance of the U.S. dollar, Japanese yen, and German mark has already aroused world attention. **Their internal differences and contradictions will also, however, increase.** The United States will not allow Japan and Europe to go ahead of itself, while Japan and Europe will find it hard to satisfy U.S. demands. The United States' trade friction and economic disputes with Japan have already intensified, while its competition with the European Community including differences over agricultural subsidies is also escalating. Once Japan and Germany come into their own, they will not yield to the United States forever.

Four. The might of the Soviet Union has been sharply weakened. Its internal economic and political crises are deepening, ethnic nationalism and separatism is on the upsurge, and social unrest is escalating. There are also serious food shortages and towering problems to the introduction of reforms. Henceforth, the Soviet Union will concentrate its main efforts on the resolution of domestic problems and strive to improve the grave situation confronting it presently. The future direction of the Soviet Union, including the development of its domestic problems and success or failure of its reforms also await further observation. While it may have lost its status as a superpower, the Soviet Union continues to enjoy military superiority and still has some "remaining influence". While the United States still harbors some suspicions and concerns toward the Soviet Union, it also has to win its cooperation and support. U.S.-USSR consensus is increasing in many areas. In the words of the U.S. media, they have been transformed from "cold war enemies to partners in peace". The United States wants to make use of the Soviet Union's influence as an ex-superpower and enlist it to balance other forces. On the other hand, the Soviet Union will also use the opportunity to strive to defend its position in the world. At the same time, it will also try hard to obtain U.S. and Western economic and technological cooperation. Even as U.S.-USSR cooperation and coordination increases, mutual wariness and competition still exist. Differences and contradictions will also appear from time to time. Meanwhile, the East

European region is still mired in serious economic, political, nationalist, and social crisis. Earlier hopes for large economic and technological assistance from Western countries have vanished. The 34-nations summit on the European security conference held recently in Paris announced the end of the cold war and the entry of Europe into a new era of new partnership relations. The speeches, however, by leaders from East Europe poured cold water onto the conference. They claimed that an ominous dark cloud hangs over Europe and that unless the West extends generous assistance, economic hardships, ethnic divisions, social poverty, influx of refugees, and even military coups will very likely occur in East Europe. But the West has limited resources and cannot fill up the vast hole, however great its desire to help may be. Even Bush in his speech has noted: "The ship of Europe is now entering unknown waters."

Five. Given the great changes in the world situation today, the situation in the Third World countries has become more complicated and difficult. The growing economic difficulties of the two superpowers, the United States and the Soviet Union, and the decline of their struggle over the Third World not only reduced the Third World countries' room for maneuver but also meant further cutbacks in aid, trade, credit, investments, and other benefits. The majority of Third World countries have seen their economic troubles intensify, and their financial and debt crises deteriorate. Given the development of sophisticated science and technology, and economic growth in developed countries, the gap between the South and the North is growing wider. Ethnic nationalism and religious conflicts are also on the rise. In some countries, the contradictions between parties, military, and government, ethnic groups, religions, and within society, are intensifying. Disputes over territorial claims, refugees, religions, ethnic groups, resources, and riches are also becoming more tense in other countries. These disputes and contradictions could be used to stir up incidents to cover up domestic problems, and bring about new regional crisis and conflict. Future development in the oil-rich Middle East region is particularly worthy of note. The current Gulf crisis is one example.

Six. Starting from now until the end of this century and the beginning of the next century, a great competition in economic might will be launched in the world. With the development of sophisticated scientific research, a new technological revolution centered on the information revolution is approaching. No one wants to be left behind. If one wants to occupy a favorable position in the new world pattern of the future, one has to strive to make rapid breakthroughs in high technology and convert them into productive forces in order to be ahead in terms of economic might. This is a comprehensive and total race; it is a test not only in science and technology, manpower, investments, and facilities, but also in the economy, mechanism, education, administration, and finally, a test of strength. The new world pattern will be gradually formed and developed out of this intense race. Some U.S. leaders have already indicated that the preservation of the United States' superior position in high

technology and the strengthening of its economic might will be its primary task as it defends its leading status in the world. The European Community (especially Germany), Japan, and other developing countries have also indicated the need to seriously deal with this grave challenge and not show any slackening. The Soviet Union too, refuses to be left behind and is making great efforts to keep up with the rest. Some other newly-emerging countries or organizations may also spring a surprise and gain favorable positions in certain areas. The winners and losers of this race will be determined by the efforts and developments from hereon.

Seven. As the world moves from bipolarity to multipolarity, the situation will change rapidly and is also very complicated. More new situations and problems will still arise within each country, between countries and regions, as well as within the United Nations and other international organizations. At present, some domestic and foreign media contended that the future world pattern will be characterized by three or five or even more centers of powers or interest. To speak on the confrontations between each group appears to be premature. While the lessons and experiences from the two World Wars should be remembered and used as reference for exploration, they should not be allowed to restrict new endeavours. The present economic and political conditions are after all different from the past. History will also not repeat itself simplistically. The decline of national power and the disintegration or merger of states will have to be studied further. In the light of great changes in the world situation today, it is necessary to adopt forceful measures to step up investigations and research, promptly master the changes and trends in the developments of international contradictions, devise different assessments of the international situation and consider various options in order to be able to genuinely see through the events, make firm and timely decisions, and thus maintain one's initiative and flexibility.

United States & Canada

Editorial on U.S. Lifting of Technology Embargo

HK1512073990 Hong Kong WEN WEI PO in Chinese
15 Dec 90 p 2

[Editorial: "Bush Lifts Science and Technology Embargo on China"]

[Text] On the evening before yesterday, U.S. President Bush announced the approval of exports of supercomputers and other hi-tech products to China. This is the most dramatic change that has ever occurred since the United States imposed political and economic sanctions against China last year. Before this, U.S. President Bush had already had an official meeting with Chinese Foreign Minister Qian Qichen, which was considered an official high-level contact.

The fact that Western countries are resuming granting loans to China and rushing to promote trade with China signifies the end of the so-called "sanctions." Even the United States itself has felt that a continuation of sanctions is meaningless.

China is a large country with a population of 1.1 billion and a complete industrial system as well. No country in the world has a strength as powerful as China's to resist "sanctions." The United States imposed an embargo and blockade on China in the 1950's and 1960's, didn't it? Practice has proved, however, that such a policy will not work and it goes counter to the long-term interests of both the Chinese and American peoples. Out of consideration of U.S. strategic needs, Nixon gave up this policy in the 1970's, thus opened a new era of Sino-U.S. relations. The greatest insight displayed by the Sino-U.S. Shanghai communique lay in its emphasis on the possibility for countries with different social systems to coexist peacefully and on the principle of placing peace, cooperation, and mutual noninterference in each other's internal affairs before ideological differences. Thanks to this communique, Sino-U.S. relations have managed to develop constantly.

Every country has its own national conditions. The choice of systems should be made by the people of a country on their own rather than be determined by foreign will. The West's idea that it can force China to change its system by applying "sanctions" is unrealistic and will only spoil the present atmosphere of detente. Sanctions will of course hinder China's economic development, but, at the same time, such practices will also seriously impair the interests of those who apply the sanctions as they will lose an enormous market with 1.1 billion consumers.

It was out of consideration of short-term political interests that the United States took the lead in applying "sanctions" against China last year. Now it is out of consideration of longer-terms interests that it has decided to lift the sanctions.

Witnessing the drastic changes in East Europe and the Soviet Union last year, the United States thought it could gain great political interests from these changes. But now, a year has passed and the drastic changes have totally upset the old strategic structure, whereas a new structure is still in the making. Any unexpected changes may take place at this moment, and it is hard to forecast how the turbulent situation will develop. The rash switch over to the market economy in East Europe and the Soviet Union has brought about a slump in production, a panic over food shortages, a drastic increase in unemployment, rapid replacement of governments in East Europe, and the split of the Soviet Union. Now both the United States and West Europe are busy supplying funds and foods to relieve East Europe and the Soviet Union. If the situation continues to deteriorate in East Europe and the Soviet Union, the consequences will be dreadful to contemplate.

The United States, which has played its part in bringing about the tremendous changes in East Europe, cannot but re-evaluate its strategic interests in face of the consequences of such great changes. Now some politicians in the Soviet Union and East Europe have completely leaned on the United States for survival. But how much more can the United States pay in support of these countries, which add up to such a vast territory and huge population? By the way, the United States itself is facing economic stagnation, decline in production, and high inflation. What is more, the raising of funds to finance its military operation in the Persian Gulf remains an unsolved problem. The economic problem is a real Gordian knot for Bush.

We must say Bush is a man of strategic insight. Now he has turned his eyes to the East, he has seen that the situation in China is stabilizing; the country's international influence has not declined but is increasing; the reform, which is being carried out in an orderly way and gradually, has brought about economic recovery; and China has more and more foreign exchange in its hands. He has realized that this is a good opportunity for the United States to expand its trade and to export expensive hi-tech products, and he knows well that promoting China trade is beneficial to the U.S. economy. As sanctions have proved futile, Bush, who believes that the United States will lose the market if it fails to seize the opportunity, has resolved to lift the embargo promptly.

Comparing the situation in China with that in East Europe, some notable Western politicians have begun to reevaluate and shift their attention back to the Chinese-type reform and opening up process. They cannot but admit that this type of reform is good for China, for stability in the Asia-Pacific region, and for the maintenance of a balance in the world structure. It is against such a background that Bush has lifted the science and technology embargo on China.

Gulf Crisis' Effect on U.S. Economy Viewed

HK1712112090 Beijing LIAOWANG in Chinese
No 49, 3 Dec 90 p 38

["Exclusive article" from Washington by correspondent Fang Yinong (2455 5030 6593): "Gulf Crisis Deals Serious Blow to U.S. Economy"]

[Text] The Gulf crisis which erupted on 2 August this year was undoubtedly an additional blow to the already weakening U.S. economy. First, it aggravated the inflation, and secondly, it increased the likelihood of the U.S. economy sliding into recession.

The Gulf crisis raised the oil price in the international market, breaking the 40 dollars per barrel mark at one point (oil price was 17 dollars per barrel before 2 August). It is presently wavering between 30 to 35 dollars per barrel. No doubt, this has dealt a serious blow to the United States which relies heavily on oil imports. Consequently, it has aroused the concern of U.S. economic

officials and economists alike and has become a hot topic in the U.S. economic circles.

Alan Greenspan, chairman of the Federal Reserve Board (the U.S. Central Bank), warned: The Gulf crisis poses a "new and enormous" danger to an already slackening U.S. economy. He estimated that every 10 dollars per barrel increase to the oil price raises the cost of annual oil import to the U.S. by 30 billion dollars. If this goes on, U.S. trade deficits this year will definitely surpass the original estimate of 100 billion dollars. If next year's oil price stops at the level of 30 dollars per barrel, U.S. economic growth within the year will be reduced by 1 percentage point, while the inflation rate will go up by 2 percentage points. Michael Boskin, President Bush's foremost economic adviser and chairman of the White House economic consultative committee, maintained that the oil price increase triggered by the Gulf crisis will have a "very adverse impact" on the U.S. economy. He said that if the oil prices were to go up by 10 percent, U.S. economic growth rate within the year will slow down by 0.1 to 0.2 percentage points.

U.S. economists are even more pessimistic, believing that the danger caused by the Gulf crisis to the U.S. economy will far surpass the estimates by government officials. According to their assessments, if the oil price stays at the level of 25 dollars, U.S. retail price index will rise by 2 to 3 percentage points; if oil price goes up 1 percentage point, U.S. gross national product within the year will be cut by 0.1 percentage point.

At the moment, the clouds of war hang over the Middle East, with the contending sides engaging in massive deployment of troops. John Lithbrow, an economist at the U.S. petroleum industry research foundation, held that "the day war erupts in the Gulf is also the time oil price skyrockets." The World Bank estimates that that will cause oil price to rise in a linear fashion to 65 dollars per barrel, and stay at 30 to 40 dollars per barrel in the next five years following the end of the war.

The grave concern shown by the U.S. economic circles over the oil price increase caused by the Gulf crisis is not without basis.

Forty percent of the U.S. trade deficits is caused by energy imports, with practically all of the imports made up of crude oil and petroleum by-products. Since 1990, the rate of U.S. dependence on oil imports has set a record 50 percent, with daily import of crude oil and petroleum by-products averaging more than 8 million barrels. It is expected that the daily import of petroleum by the United States will total more than 8 million barrels in 1991, and 10 million barrels by 2010.

As oil is the most important energy source and raw material for industry, a rise in its prices will almost affect all sectors of the U.S. national economy, especially the transport, chemical, automobile, and metallurgical industries. In effect, a rise in oil prices is like the imposition of new taxes on the U.S. consumers and enterprises, lowering their real income and forcing them

to cut back on consumption and investments. Two-thirds of the U.S. gross national product is made up of consumption; hence, a drop in consumption will lead to a slump in the U.S. economy. In addition, a drop in consumption will also decrease the financial revenues of the U.S. Federal Government, state governments and county governments, and enlarge the financial deficits. And to cut down deficits, the governments at all level will be forced to reduce expenditures and raise taxes, the result of which is to lower the growth rate of the economy and increase the danger of an economic recession.

At the moment, the U.S. Government's capability to deal with the petroleum issue is extremely limited. It has suffered from successive years of financial losses, with the deficits remaining high and showing no sign of decline. The financial deficits of the federal government from 1981 to 1989 stood at a high of 149 million dollars. In the fiscal year of 1990, the deficits of the federal government was a high of 220 billion dollars. Under the circumstances, the government cannot resort to an increase in expenditure to boost economic development.

The Bush administration has repeatedly prodded the Federal Reserve Board to loosen monetary policy and lower federal capital interest rates in order to avoid an economic slump. The Federal Reserve Board is caught, however, in a dilemma because lowering interest rates could raise inflationary pressure, while not lowering them could lead to an economic slump. Under the circumstances, the Federal Reserve Board has very little room to regulate the economy with economic pillars.

Even more serious is the fact that the Gulf crisis has made the public very pessimistic about the future of U.S. economic development. Several opinion polls conducted recently have revealed that nearly 70 percent of American people and companies held that the United States faces the danger of an economic slump. Hence, not a few have postponed plans to purchase houses and cars, while many companies have cut back on operational investments and laid off company employees. In financial markets, many investors, worried about a fall in share prices, have sold their stocks and converted them into cash and gold. All these have also increased the possibility of a U.S. economic recession.

Northeast Asia

PRC, Japanese Leaders Pledge To Strengthen Ties

HK1712025090 Beijing RENMIN RIBAO in Chinese
8 Dec 90 p 6

[Report by Yu Qing 0060 7230: "Japanese Prime Minister Kaifu Meets Huang Hua, Pledges Continued Efforts To Develop Japan-China Relations"]

[Text] Tokyo, 7 December (RENMIN RIBAO)—Japanese Prime Minister Toshiki Kaifu met in his residence this afternoon with a visiting delegation of the China Association for International Friendly Contacts

headed by Huang Hua, the association's chief adviser and a Central Advisory Commission Standing Committee member.

Prime Minister Kaifu said: Japan and China should not only strengthen the economic exchange and cooperation between the two countries, but also augment ties in various other fields such as culture, education, and academic research so as to attain an overall development in Japan-China relations. He pledged to make continued efforts and contributions to promoting Japan-China relations.

Prime Minister Kaifu also cheerfully recalled his contacts with Chinese leaders and his previous visit to China. He asked Huang Hua to give his regards to Premier Li Peng and Vice President Wang Zhen.

Huang Hua said that friendly relations between China and Japan are a mainstay for peace and stability in Asia, therefore, the two countries should strengthen exchange and cooperation between themselves. He expressed appreciation for Prime Minister Kaifu's vigorous efforts in this regard, and conveyed Premier Li Peng's regards.

Huang Hua and his party arrived in Tokyo on 6 December at the invitation of the Wahei Sasakawa financial group.

Japan, DPRK Hold Talks in Beijing

OW1712054190 Tokyo NHK General Television
Network in Japanese 0300 GMT 17 Dec 90

[Text] Japan and North Korea—the DPRK—have agreed in principle to begin full-dress normalization talks in Pyongyang, the capital of North Korea, in January. The two governments reached the agreement at the third round of preliminary talks for normalizing diplomatic relations held in Beijing today.

At the third round of preliminary talks under way in Beijing, the two sides extended the schedule and continued consultations on starting full-scale talks, beginning at 0900 [0000 GMT] this morning, Japan time. As a result, the two governments reached an agreement in principle on agenda items, on which the two sides had held divided opinions so far. Although they are currently ironing out differences over wording and other minor problems, they agreed in principle to begin full-scale talks for normalizing diplomatic relations in Pyongyang, North Korea, in January.

At the preliminary talks held so far, the two sides have had divided opinions over the issue of postwar compensation, which the North Korean side demands, and the acceptance of inspections by the International Atomic Energy Agency, IAEA, of nuclear-energy facilities in North Korea, which are sought by the Japanese side.

As regards the postwar compensation issue, the North Korean side maintains that it should be taken up at the full-scale talks in accordance with a joint statement released earlier by the Liberal Democratic Party and the

Japan Socialist Party on the Japanese side, and the Korean Worker's Party on the North Korean side. The Japanese side, on the other hand, rejects this on grounds that the joint statement does not bind the government and insists that it be handled as claims and economic cooperation over Japan's colonial rule of Korea in the past as was the case at the time relations between Japan and the ROK were normalized.

The Japanese side strongly called on North Korea to accept IAEA inspection of its nuclear-energy facilities on grounds that they are indispensable to peace and security on the Korean peninsula as well as in Asia. The United States and South Korea are strongly concerned over the possible development of nuclear weapons by North Korea. North Korea reacted sharply to this, however, saying that it is not a bilateral issue to be discussed with Japan.

Detailed contents of the latest agreement have not yet been made public. It is believed, however, that agreement was reached to hold further consultations on these issues at the full-dress talks. Hence, the talks on these issues in question will likely face tough going even at the full-scale talks, which are set to begin in January.

Li Ruihuan Briefs Mongolian Editor on Newspapers

*OW1712095190 Beijing XINHUA in English
0805 GMT 17 Dec 90*

[Text] Beijing, December 17 (XINHUA)—Li Ruihuan, a member of the Political Bureau's Standing Committee of the Chinese Communist Party Central Committee, met with Ts. Mishigdorj, first deputy editor-in-chief of Mongolia's newspaper TRUTH (UNEN), and his party here today.

Li briefed Mishigdorj on the mouthpiece and information functions of the Chinese Communist Party's newspapers at various levels.

Li said he hopes China and Mongolia will increase their exchanges and strengthen their cooperation.

Mishigdorj arrived Beijing on December 8 at the invitation of the PEOPLE'S DAILY, the organ of the Chinese Communist Party Central Committee.

Southeast Asia & Pacific

Malaysian Newspapers Hail Li Peng's Visit

*OW1412135090 Beijing XINHUA in English
1321 GMT 14 Dec 90*

[Text] Kuala Lumpur, December 14 (XINHUA)—Malaysian newspapers today hailed Chinese Premier Li Peng's just-concluded visit to the country as a "fruitful one", that "prepared the groundwork for future cooperation between the two countries."

Li was in Malaysia on a four-day official goodwill visit from Sunday until Thursday.

In its editorial, the Chinese language newspaper NAN-YANG SIANG PAU [as received] said that "important headway" has been made in Sino-Malaysian relations as a result of Premier Li's visit.

The SHIN MIN NEWS, another Chinese language newspaper, said in its editorial that Li's visit to Malaysia laid the foundation for closer cooperation between the two countries in the future.

The visit also helped to promote peace and stability in Asia, particularly in the Southeast Asian region, the editorial commented.

The editorial also called for greater efforts by both Malaysia and China to further promote bilateral trade relations, noting that there is still much room for improvement in this area.

Further Reportage on Li Peng's Philippines Visit

Meets Asian Bank President

*HK1412152490 Beijing ZHONGGUO XINWEN SHE
in Chinese 1320 GMT 14 Dec 90*

[Report by Wang Xiaohui (3769 2556 2547): "Li Peng Hopes the Asian Development Bank Will Make An Overall Plan for Supporting China in the Next Fiscal Year"—ZHONGGUO XINWEN SHE headline]

[Excerpt] Manila, 14 Dec (ZHONGGUO XINWEN SHE)—Chinese Premier Li Peng expressed here today his hope that the Asian Development Bank [ADB] will make an overall plan in the next fiscal year with regard to support for China.

This afternoon Premier Li Peng met with President Kimimasa Tarumizu of the ADB at the Manila Hotel where he was staying.

Li Peng expressed his deep appreciation for the ADB for providing China with the first loan ever since the "4 June." The current situation in China is very good, not at all as the West has imagined. He said that projects funded by the World Bank's and ADB's loans have all been a success; China has maintained a good record and welcomes the ADB to continue to strengthen cooperation with it.

It is learnt that, since China became a member of the ADB in 1986, the bank has, as of last June, offered China a total of \$460 million in loans.

Mr Kimimasa Tarumizu said, China has been one of the ADB's important members, and its international status has experienced a great lift since China joined the bank. He expressed his hope that the bank could continue to develop its relations with China. [passage omitted]

Meets Vice President Laurel

OW1512081590 Beijing XINHUA in English
0753 GMT 15 Dec 90

[Text] Manila, December 14 (XINHUA)—Chinese Premier Li Peng met Philippine Vice-President Salvador Laurel here this afternoon.

The meeting took place at the executive house where the vice-president's office is located.

When Premier Li arrived at the meeting room, Laurel went forward and shook hands with him.

"You are warmly welcome to visit the Philippines. I believe that friendly cooperation between the two countries will further develop," he said.

The two leaders then had a brief discussion. But no details were disclosed.

Vice Minister Meets Counterpart

OW1512012990 Beijing XINHUA Domestic Service
in Chinese 1541 GMT 14 Dec 90

[Text] Manila, 14 Dec (XINHUA)—Vice Minister of Foreign Economic Relations and Trade Li Lanqing of China and Deputy Secretary of Trade and Industry Francisco Del Rosalio of the Republic of the Philippines held talks in Manila this afternoon.

During their talks, both sides exchanged opinions on how to further develop trade relations and economic and technical cooperation between the two countries.

Government Supports Policy

OW1412150590 Beijing XINHUA in English
1439 GMT 14 Dec 90

[Text] Manila, December 14 (XINHUA)—Speaker Ramon Mitra of Philippines' House of Representatives today said the house as a whole supports the Philippine Government's "one-China" policy. Mitra made the remark during a meeting with visiting Chinese Premier Li Peng here this afternoon.

Meets Chinese Community Members

OW1412190590 Beijing XINHUA Domestic Service
in Chinese 1402 GMT 14 Dec 90

[By reporter Ma Shengrong (7456 0524 2837)]

[Text] Manila, 14 Dec (XINHUA)—Chinese Premier Li Peng, who is paying an official goodwill visit to the Philippines, met with representatives from various circles of the Overseas Chinese community and people of Chinese origin here this evening. He made an impromptu important speech.

When the premier arrived at the meeting hall, he was given a standing ovation from more than 100 representatives who had been waiting there. Li Peng shook hands

and exchanged greetings with them. A cordial and animated atmosphere prevailed in the hall.

Then, the Chinese premier made an important speech.

He said: "I have been paying an official goodwill visit to the Philippines at the invitation of president Corazon Aquino. During the visit, the two sides held friendly talks and meetings, and had in-depth exchange views on international and bilateral issues of common concern. The talks were a complete success. I believe that my current visit will certainly contribute to the friendship between the people of the two countries." As he spoke, the audience showered him with thunderous applause.

The premier said: "We appreciate President Aquino's policy of adhering to 'one China'."

He said: "The situation in China is good. The policy of reform and opening to the outside world has produced fruitful results, enhanced the national strength in all fields, and improved the living standards."

After discussing a few problems in Chinese economic development, the premier said: "Through improvement and rectification over the past two years, inflation has been brought under control with an annual rate of less than four percent, while the once declining industry is on the way of recovery."

He said: "This year, the growth of China's export trade has accelerated and foreign exchange reserves are higher than last year. The Chinese economic situation is good."

Premier Li Peng said: "China's political situation is also good. The new generation leaders with General Secretary Jiang Zemin at the helm are strong, united, and capable of handling Chinese affairs. They have implemented the line of reform and opening pioneered by Comrade Deng Xiaoping." Again, he was accorded warm applause.

Turning to China's policy of achieving a sustained, steady, and coordinated growth of the national economy, the premier said: China "will keep to the policy of reform and opening to the outside world, and will never close its doors. China is willing to maintain equal and friendly relations with all countries in the world on the basis of the five principles of peaceful coexistence. China wants to develop agriculture, the basic industries, energy, and communications so as to lay a foundation for development in the next century."

On China's relations with Southeast Asian countries, Li Peng said: China has established or restored diplomatic relations with all countries in the region. "This year, the president of Indonesia and the prime ministers of Thailand and Singapore visited China; I myself also paid a visit to five member states of ASEAN. The exchange of visits symbolizes a new stage in the relations between China and ASEAN. The friendly relations between China and ASEAN are conducive to the stability and development of Asia."

In conclusion, Premier Li Peng called on Overseas Chinese in the Philippines and its naturalized citizens of Chinese origin to make joint efforts with the local people for the economic development and stability of the Philippines.

Visits Embassy Staff, Students

*OW1512012690 Beijing XINHUA Domestic Service
in Chinese 1536 GMT 14 Dec 90*

[By reporter Zhou Shuchun (0719 2885 2504)]

[Text] Manila, 14 Dec (XINHUA)—Li Peng, premier of the State Council, who is visiting Manila, along with his wife Zhu Lin this evening went to the Chinese Embassy in the Philippines to see staff members of the Chinese Embassy, workers of Chinese establishments in the Philippines and representatives of Chinese students. Li Peng happily had a group photo taken with them to mark the occasion.

Premier Li Peng briefly introduced domestic situation in China and his visit to the Philippines to those present at the meeting. He encouraged them to work hard and to continue to make contributions toward promoting friendship and cooperation with countries of the Association of Southeast Asian Nations, including the Philippines.

Meets Reporters Before Departure

*OW1512064990 Beijing XINHUA in English
0639 GMT 15 Dec 90*

[Text] Manila, December 15 (XINHUA)—Chinese Premier Li Peng had a press interview with Philippine reporters here this morning.

He answered their questions on the U.S. military bases in the Philippines, peace and stability in the Asia-Pacific region, the situation in Eastern Europe, relations between China and the Association of Southeast Asian Nations (ASEAN) and Sino-Philippine trade.

Premier Li and his wife Madame Zhu Lin and his party is to leave here this afternoon for Laos after concluding his three-day successful official goodwill visit to the Philippines.

No Decision on U.S. Bases

*OW1512081390 Beijing XINHUA in English
0757 GMT 15 Dec 90*

[Text] Manila, December 15 (XINHUA)—Chinese Premier Li Peng said here this morning that in principle, China is not in favor of any country having military bases on the territory of other countries.

In a press interview to Philippine reporters this morning, Li said that the affairs of a country should be decided by its own government and people.

He said the presence of U.S. military bases in the Philippines is a question left over from history, adding he believed that the Philippine Government and people would properly solve it with the United States on the prerequisite that the interests of the Philippine people are served.

Li continued that China has no intention to interfere in this region's military affairs, and that China's Armed Forces are solely defensive in nature in support of an independent foreign policy of peace.

If there is any Chinese influence to speak of in this region, the Chinese premier noted, that is only friendship and peace.

Gulf Position Restated

*OW1512101190 Beijing XINHUA in English
1002 GMT 15 Dec 90*

[Text] Manila, December 15 (XINHUA)—China has decided to sell an additional 300,000 tons (about 2.1 million bbl) of crude oil to the Philippines and on its part, China has made its fairly big effort but may not help the Philippines much, Chinese Premier Li Peng said here today.

In response to a Philippine reporter in a press interview, the Chinese premier said that this only shows the friendship the Chinese people cherish for the Philippine people who are now facing some difficulties.

When asked whether China may provide the Philippines with more oil in case a war breaks out in the Gulf region, Li said, "First I hope that no war should break out there. In case a war breaks out, it would affect greatly the world economy and the Philippines as well."

China stands for a peaceful solution of the Gulf crisis, but Iraq should unconditionally withdraw its troops from Kuwait, he said, adding that "this principle position of ours cannot be abandoned."

China's crude oil output is now limited and the growth rate is slow, he said. China has to decide according to the domestic oil production and demand whether it could increase its supply of oil to the Philippines, he added.

Touching on China's surplus in the Sino-Philippine trade, Li said that China stands for trade balance.

China may purchase more from the Philippines if the latter may provide more commodities and varieties for Chinese businessmen to choose, Li said, adding that to achieve this, businessmen from both sides should increase their contacts and exchanges to promote understanding.

The Philippine Government has decided to cancel the restrictions on the entry of Chinese nationals visiting the country and this may facilitate both sides to do so, the Chinese premier added.

Li Meets Senate President Salonga

OW1512070390 Beijing XINHUA in English
0641 GMT 15 Dec 90

[Text] Manila, December 15 (XINHUA)—Chinese Premier Li Peng met Jovito Salonga, president of the Philippine Senate here this morning.

China and the Philippines enjoyed very good relations, the Chinese premier said, adding that his meetings with leaders and members of the Senate and the House of the Philippines were conducive to strengthening the friendship and cooperation between the two countries.

Briefing the Senate president on China's views on the Gulf and the Cambodian issues, the Chinese premier said that the international community should work hard to promote a fair and reasonable political solution to the Cambodian issue.

Work of the Association of Southeast Asian Nations (ASEAN) in this respect was very important, Li Peng said. He hoped that ASEAN including the Philippines would continue to contribute to the solving of the issue.

Salonga said that his country had paid great attention to China since last year. Now he was glad to know that China was stable politically and socially and China's economy had improved much following two years of work.

The Chinese premier said that China's economy was progressing, but still had difficulties on its way. "But we are confident to overcome them," Li Peng said, adding that the development in the past two years had shown that economic development depended on political stability. It was hard for the economy to grow without political stability, and the foundation for political stability was economic growth and the improvement of the people's life, Li Peng said.

Notes Crises in European Changes

OW1512094590 Beijing XINHUA in English
0917 GMT 15 Dec 90

[Text] Manila, December 15 (XINHUA)—The tremendous changes that took place in East European countries this year have brought difficulties and unemployment to these countries and almost all of them have fallen into crises, Chinese Premier Li Peng said here today.

In response to a Philippine reporter during an interview here this morning, Li said: "Of course we respect the choice the East European people made and we hope their countries may overcome the temporary difficulties and get better day by day."

"But their case is not worth China's admiration," he added.

China develops its normal relations with East European countries and the Soviet Union just as with other countries on the basis of the five principles of peaceful

coexistence, Li said. He added, it is up to them to choose the social system and ideology they like.

The Chinese people and Chinese Government adhere to the road of socialism and the decade-long reform and opening to the outside world have brought very impressive achievements, he said, adding that China enjoys a political stability and its economy is developing.

"We are fully confident of our socialist construction," the Chinese premier added.

Promises No Regional Threat

OW1512075490 Tokyo KYODO in English
0739 GMT 15 Dec 90

[Text] Manila, Dec. 15 KYODO—Chinese Premier Li Peng said here Saturday that China will never pose a security threat to the Asian region and noted that China's recent establishment of diplomatic ties with Indonesia and Singapore augurs well, especially for the Southeast Asian nations.

In a pre-departure news conference, Li said that China "will not pose any threat to any country in this region in the remaining years of this century nor will it be a threat to any country in this region in the next century."

Li, who arrived here Thursday, left Manila later for Laos, his third stop in a 10-day four-nation Asian swing aimed at rekindling relations in the region following the June 1989 crackdown on pro-democracy demonstrators.

Philippine President Corazon Aquino led senior government officials in sending off Li and his party of 49 members.

Li told reporters, "We need a peaceful international environment and therefore, China endorses and is fully in favor of achieving and maintaining peace...so China will not be any threat to any country."

Li said China has to cope with the "tremendous, formidable challenge" of feeding a rapidly growing population before it can even think of engaging in "any external expansion."

"The cooperation between the countries in this region with China, rather than bringing any harm to the parties concerned will serve the interest of peace and stability in this region," Li said.

Asked to comment about the decline of communism in Eastern Europe, Li said the "dramatic and profound changes" in the region did not alleviate the economic and social condition of the peoples and in fact ushered in "chaos and unemployment."

He said the Chinese Government and its people will "stick to the socialist world." "We are quite satisfied with the state of affairs in China and we are quite optimistic about the prospects of our socialist reconstruction and development."

Li and his delegation arrived in Manila on Thursday from Malaysia for talks with Aquino which resulted in Manila's vow to respect the one-China policy.

Aquino assured China that Manila will uphold its one-China policy in spite of the warming of nongovernmental ties between the Philippines and Taiwan, which Beijing says is part of Chinese territory.

In return, Li promised to provide 300,000 tons of crude oil through concessional loans and donated 100 buses to ease transport problems.

Li's visit was also to reciprocate Aquino's trip to China in 1988 where she retraced her Chinese ancestry.

From Laos, Li will fly to Sri Lanka before returning home.

The trip is the Chinese premier's second to Southeast Asia, following his August visit to Indonesia, Thailand and Singapore.

Leaves Manila for Vientiane

*HK1512062090 Beijing XINHUA in English
0606 GMT 15 Dec 90*

[Text] Manila, December 15 (XINHUA)—Chinese Premier Li Peng and his wife Zhu Lin and his party left here by a special plane at 01:15 PM (Local Time) for Vientiane, Laos, after concluding a three-day official goodwill visit to the Philippines.

They were seen off at the airport by Philippine President Corazon Aquino, her cabinet members, Chief of Staff of the Armed Forces Renato De Villa and other high-ranking officials.

Premier Li, accompanied by President Aquino, reviewed a guard of honor and cordially shook hands with his hosts before the plane taking off.

Laos is the third leg of the Chinese Premier's four-nation tour.

Reportage on Li Peng's Official Visit to Laos

Arrives in Vientiane

*OW1512094790 Beijing XINHUA in English
0928 GMT 15 Dec 90*

[Text] Vientiane, December 15 (XINHUA)—Li Peng, premier of the State Council of the People's Republic of China, arrived here at 17:20 (local time) today for an official good-will visit to the Lao People's Republic.

During his visit at the invitation of Kaysone Phomvihane, chairman of the Council of Ministers of Laos, the Chinese premier is expected to exchange views with Lao leaders on further developing bilateral relations and on regional and international issues of mutual concern.

This is the first visit a Chinese head of government ever paid to Laos since the two countries established diplomatic relations in 1961. It is believed that the Chinese premier's visit will help further enhance the existing friendly relations between the two countries.

Further on Arrival

*BK1512142190 Vientiane Domestic Service
in Lao 1200 GMT 15 Dec 90*

[Text] At the invitation of the Government of the Lao People's Democratic Republic [LPDR], a delegation of the PRC Government led by Premier Li Peng on board a special plane arrived in Vientiane this afternoon for a three-day goodwill visit to the LPDR.

Accompanying the PRC premier are his wife Zhu Lin, eight officials, and over 40 members of a working staff.

A warm and honorable welcome ceremony was held at the Wattai International Airport for Premier Li Peng and his delegation.

Present at the airport to welcome the Chinese premier, his wife, and delegation were Kaysone Phomvihane, chairman of the Council of Ministers of the LPDR; his wife, Mrs. Thongvin Phomvihane; Phoun Sipaseut, vice chairman of the Council of Ministers and minister for foreign affairs; General Sisavat Keobounphan, chairman of Vientiane Municipality Administrative Committee; ministers; deputy ministers; members of the Supreme People's Assembly; representatives of mass organizations; high-ranking military and police officers; civil officials; and representatives of Chinese residents in Vientiane.

Phongsavat Boupha, LPDR ambassador extraordinary and plenipotentiary to the PRC, and Liang Feng, PRC ambassador extraordinary and plenipotentiary to the LPDR were also among those who went to greet Li Peng and his delegation at the airport.

The main building in the compound of the airport was decorated with big red banners with white Lao and Chinese characters saying: Wholeheartedly Praise the Official Goodwill Visit to the LPDR by PRC Premier Li Peng. National flags of the two countries were majestically hoisted side by side.

At 1630 [0930 GMT], the special plane, Boeing 707, of the PRC Government delegation landed at Wattai International airport. [sound effects of the plane's arrival]

Kaysone Phomvihane, chairman of the Council of Ministers, and his wife went to the base of the ramp to greet Premier Li Peng, his wife, and delegation as the brass band of the Lao People's Army [LPA] was playing welcome music and the national anthems of the PRC and LPDR respectively. [sound effects]

After inspecting the LPA guard of honor and receiving bouquets from Lao children, Premier Li Peng shook

hands with a number of people who came to welcome him and his delegation at the airport.

The motorcade left Wattai Airport for the government's guest house. Thousands of people, schoolchildren, and students, waving Lao and Chinese national flags, stood at the roadside to welcome the delegation from the airport to the government's guest house.

At the airport, the PRC premier distributed a written statement to the mass media. The statement says: I am highly pleased to pay an official goodwill visit to your beautiful country at the invitation of Comrade Chairman Kaysone Phomvihane. On the occasion of the recent 15th founding anniversary of the LPDR, I, on behalf of the Chinese Government and people, would like to extend my cordial greetings and best wishes to the Lao Government and fraternal people. China and Laos are friendly countries and close neighbors sharing the same mountain ranges and rivers. Traditional friendship between the peoples of the two countries have existed since time immemorial. The successful visit to China made by Comrade Kaysone Phomvihane, general secretary of the Lao People's Revolutionary Party and chairman of the Lao Council of Ministers in October last year as testimony to the new era of the expansion of the Sino-Lao relations. During my visit, I will exchange views with Comrade Chairman Kaysone Phomvihane on further expansion of relations between the two countries and international issues of common interest. I believe that the strengthening of traditional friendship between the peoples of the two countries and the friendly and neighborly relations between the two countries will not only serve the common aspiration and fundamental interests of the peoples of the two countries, but will also benefit peace and stability in this region. I wish the LPDR prosperity and the Lao people well-being and happiness.

At 1830 [1130 GMT], PRC Premier Li Peng and his delegation called on Kaysone Phomvihane, chairman of the LPDR Council of Ministers, at the reception hall of the Council of Ministers.

Premier Li Peng and his delegation will attend a reception hosted in their honor by Kaysone Phomvihane this evening.

Other members of the delegation of the PRC Government are Qian Qichen, Chinese minister of foreign affairs; his wife; Chen Jinhua, minister in charge of the Commission for Restructuring the Economic System; Li Lanqing, vice minister of foreign economic relations and trade; Tao Sijun, vice minister of interior [as heard]; and Xu Dunxin, assistant minister of foreign affairs.

Greeted by Kaysone Phomvihane

*OW1512142090 Beijing XINHUA in English
1407 GMT 15 Dec 90*

[Text] Vientiane, December 15 (XINHUA)—Chinese Premier Li Peng was accorded a warm welcome at a

grand ceremony this afternoon, as he arrived for a three-day official good-will visit to Laos.

Laos is the third leg of the 10-day, four-nation Asia tour of Li Peng, the first Chinese premier ever to visit this country.

Kaysone Phomvihane, chairman of Laos' Council of Ministers, greeted the Chinese premier at the Vientiane International Airport.

The Lao leader presided over a welcome ceremony at the airport. Li, accompanied by Kaysone, reviewed a guard of honor of the Lao People's Army, after the playing of the Chinese and Lao national anthems.

On the way into town, the Chinese premier's motorcade was cheered by local residents, primarily youths, who lined up both sides of the street.

Li Peng's entourage includes his wife Zhu Lin, Foreign Minister Qian Qichen, Minister in Charge of the State Commission for Restructuring Economy Chen Jinhua, Vice-Minister of Foreign Economic Relations and Trade Li Lanqing and Vice-Minister of Public Security Tao Sijun.

Also greeting the Chinese premier at the airport were Vice-Chairman of Laos' Council of Ministers and Foreign Minister Phoun Sipaseut and another Vice-Chairman of the Council of Ministers Sisavat Keobounphan.

Remarks on ASEAN Relations

*OW1512225090 Beijing XINHUA Domestic Service
in Chinese 1627 GMT 15 Dec 90*

[By reporters Huang Yong (7806 0516) and Zhou Shuchun (0719 2885 2504)]

[Text] Vientiane, 15 Dec (XINHUA)—"This year there has been great improvement in our relations with members of the Association of Southeast Asian Nations. We also hope to gradually improve our relations with the Indochinese countries," said Premier Li Peng, who is here on a visit, this evening.

Premier Li Peng said this at a banquet given in his honor here this evening by Kaysone Phomvihane, chairman of the Council of Ministers of Laos. Li Peng said: "Sino-Lao relations are developing smoothly. Following the overall, just, and reasonable political settlement of the Cambodian question, relations between China and Vietnam will also improve gradually."

The banquet was held at the great hall of the Lao People's Revolutionary Party and the Lao Government. Accompanied by Chairman Kaysone Phomvihane, Premier Li Peng entered the brightly lit banquet hall at about 1900 [1100 GMT]. On the front wall hung the national flags of the two countries.

Chairman Kaysone Phomvihane was the first to propose a toast. He said: "The first visit by a high ranking

Chinese leader to Laos is of historic significance. The visit marks the beginning of a new stage in the development of friendly relations and all-around cooperation between China and Laos."

Chairman Kaysone pointed out: Since the official goodwill visit to China by the Lao Government delegation last year, "the friendly relations between the people of China and Laos have been further strengthened, with rapid progress and concrete results achieved in the various aspects of cooperation. These results were achieved as a result of efforts by both sides, mutual understanding, and sincerity from both sides."

Chairman Kaysone Phomvihane highly praised "the tremendous achievements China, as a socialist country, has scored under the leadership of the Communist Party of China in implementing the policy of economic reform and opening to the outside world, formulated by Comrade Deng Xiaoping." He said: "These achievements have not only laid down the foundation for safeguarding and developing the achievement of China's socialist revolution and for realizing modernization and prosperity, but also have made very important contributions to peace and social progress in the region."

Referring to the foreign policy of Laos, Chairman Kaysone Phomvihane said, "under the present complicated international situation, Laos will, as always, pursue an independent foreign policy for peace and social progress and continue to expand international cooperation on the basis of equality and mutual benefit."

Proposing a toast at the banquet, Premier Li Peng said: "The Chinese Government and people set great store by the good-neighborly relations between the two countries and the traditional friendship between the two peoples. We hope and believe that our current visit will further enhance mutual understanding and trust and advance the friendly relations and cooperation between the two countries."

Li Peng pointed out that the current international situation is undergoing a great change. He indicated that the Chinese Government and people are ready to work with all peace-loving countries and peoples of the world to make the international situation develop in a direction favorable to peace and stability.

Li Peng stressed that China needs long-term internal stability and unity, as well as a peaceful and stable international environment. "China is willing to expand its relations with all countries of the world on the basis of the five principles of peaceful coexistence. Still more it hopes to strengthen the good-neighborly relations with its peripheral countries."

After the banquet, Premier Li Peng watched a performance of Lao traditional songs and dances. Both hosts and guests took part in a group dance.

'Warm Reception' Appreciated

OW1512165490 Beijing XINHUA in English
1640 GMT 15 Dec 90

[Text] Vientiane, December 15 (XINHUA)—Visiting Chinese Premier Li Peng had a courtesy meeting with Kaysone Phomvihane, chairman of Laos' Council of Ministers, here this evening.

During the meeting, which proceeded prior to a banquet, Kaysone welcomed Li Peng, the Chinese premier, who voiced appreciation for the warm reception accorded the Chinese visitors.

Kaysone said that it meant to show the friendly feelings "we hold towards the Chinese people."

Views Improving Indochina Ties

OW1512190090 Beijing XINHUA in English
1834 GMT 15 Dec 90

[Text] Vientiane, December 15 (XINHUA)—China hopes to gradually improve its relations with countries in Indochina, visiting Chinese Premier Li Peng said today.

Li Peng made the remark here this evening at a banquet hosted in his honor by Kaysone Phomvihane, chairman of Laos' Council of Ministers.

Speaking of the present international situation as "undergoing dramatic changes," Li noted the situation in some regions is still far from being stable.

China is ready to work towards peace and stability along with all the peace-loving countries and people of the world, he said.

As China is carrying out reforms and opening to the outside world, he said, the country needs to maintain long-term stability and unity at home as well as a peaceful and stable international environment.

Towards that goal, he said, China is willing to develop relations with all countries on the basis of the five principles of peaceful coexistence and, in particular, to strengthen its friendly and good-neighborly relations with the neighboring countries.

After voicing happiness with the great progress made in China's ties with ASEAN countries this year, he said "it is also our hope to gradually improve our relations with countries in Indochina."

Along with a just, reasonable and comprehensive political settlement of the Cambodia issue, he said, "Sino-Vietnamese relations will also be gradually improved."

"We hope that Southeast Asia will truly become a region of peace, stability and prosperity, a region that will contribute to peace and development in Asia and the world at large," he said.

Kaysone, expressing similar wishes, said that in the present complicated international situation, Laos will pursue a foreign policy of peace, independence, friendship and social progress.

The country will continue to expand international cooperation on the basis of equality and mutual benefit, so as to contribute to the peace, stability, friendship and cooperation of the world, as well as to facilitate domestic reform and national development.

Further on Welcome Banquet

BK1612094990 Vientiane Domestic Service in Lao
0000 GMT 16 Dec 90

[Text] At 1900 yesterday, Kaysone Phomvihane, chairman of the Council of Ministers of the Lao People's Democratic Republic [LPDR], together with Mrs. Thongvin Phomvihane, his wife, held a banquet at the mess hall of the Office of the Council of Ministers in Vientiane in honor of Li Peng, premier of the PRC and Mrs. Zhu Lin, his wife, who heads a high-level delegation of the PRC government to pay a visit to the LPDR at the invitation of our Lao government. Attending the banquet as guests of honor on this occasion were Nouthak Phoumsavan, chairman of the Supreme People's Assembly [SPA]; Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs; and General Sisavat Keobounphan, chairman of the administrative committee of the Vientiane Municipality; along with ministers, deputy ministers, members of the SPA, representatives of various mass organizations, and many high-ranking cadres from various services.

At this glorious banquet, Kaysone Phomvihane, chairman of the Council of Ministers, delivered a speech. He said:

[Begin Phomvihane recording] Respected Comrade Premier Li Peng and wife; beloved comrade members of the PRC government delegation; distinguished ladies and gentlemen:

Today, the LPDR government and the multiethnic Lao people are delighted and have the great pleasure to welcome the high-level delegation of the PRC government led by Comrade Premier Li Peng, which has brought to our multiethnic Lao people the profound sentiments of friendship, the traditional spirit of solidarity, and vigorous support and encouragement. [applause] We consider this first visit to the LPDR by the high-level leader of the PRC as an event of historic significance. The visit marks a new step of development in the relations of friendship and all-around cooperation between the LPDR and the PRC. It will also enhance the friendly affection and the traditions of solidarity and mutual assistance between the two peoples of Laos and China. Besides, it will result in increasingly promoting and developing the bilateral cooperation, under many forms and at many different levels, in the same way as the water of the Mekong river which has never run dry and thus bringing about freshness, happiness, and plentiful life to the peoples of both countries. The visit will

also make a very important contribution to the strengthening of peace, stability, friendship, and cooperation in this region.

We are very glad to see that under the firm and resolute leadership of the CPC, the PRC—a great socialist country—has won great achievements in implementing the economic reform and open-door policy as put forth by Comrade Deng Xiaoping. Those achievements have served as an important basis for the defense, promotion, and expansion of the gains of the socialist revolution to advance toward the achievement of progress, modernization, and prosperity. They have also greatly contributed to the achievement of peace and social progress in this region and the world. We are also elated to note that following the official friendship visit to the PRC last year by a Lao government delegation led by myself, the relations of friendship between the peoples of Laos and China have been further strengthened, and the cooperation in many fields between the two countries has been quickly and fruitfully developed. These achievements have resulted from the joint efforts, mutual understanding, and sincerity between the two sides. This can be compared with a tree which is beautifully branching out and bearing fruit in decoration of the time-honored friendship, solidarity, and love between the peoples of our two countries. The aforesaid achievements have also served as an important factor for our Lao people to carry out the cause of defending and building the country.

Beginning from the factual situation in the economic and social field of Laos and through the concrete achievements and experiences in defending and building the new system over the past 15 years under the leadership of the Lao People's Revolutionary Party, we reiterate that the appropriate steps of the Lao revolution in the present as well as in the future are to further build and expand the popular democratic system and to create primary conditions to advance to socialism step by step. To fulfill the said steps, under the present confused international situation, the LPDR is determined to consistently pursue the foreign policy of peace, independence, friendship, and social progress and to continue to broaden the international cooperation on the basis of the principles of equality and mutual benefits in order to serve the cause of modification and national development to contribute to establishing peace, stability, friendship, and cooperation in this region and the world.

On this significant occasion, on behalf of the party, government, and multiethnic people of Laos, I would like to express sincere thanks and profound gratitude to the CPC, the PRC government, and the Chinese people for having always rendered precious assistance to our Lao revolutionary cause. I hereby invite comrades, ladies, and gentlemen to drink a toast to the success of the high-level PRC government delegation in this visit to the LPDR, to the achievements and victories of the Chinese people in building and developing the country under the CPC's leadership, to the solidarity and friendship between the peoples of the two countries, to the all-around cooperation between the LPDR and the PRC,

to the good health of Comrade Deng Xiaoping and all other party and state leaders of the PRC, to the good health of Comrade Premier Li Peng and wife, and to the good health of all comrades, ladies, and gentlemen attending the banquet here. Thank you. [applause] [end recording]

Later, Premier Li Peng made a reply speech. He said: Respected Comrade Chairman Kaysone Phomvihane and wife; comrades and friends:

I am very pleased to pay an official friendship visit to Laos at the invitation of Comrade Chairman Kaysone Phomvihane at a time when the Lao people have just celebrated, in a joyous atmosphere, the 15th anniversary of the national day—their glorious national festival. Though I have come to Laos for the first time, I feel that I have a very intimate and especially close relationship with the Lao people. Immediately after entering the land of Laos, we have been warmly and greatly welcomed by the Lao leaders and people. This has reminded us of the profound affection of the Lao people toward the Chinese people. This evening, Comrade Chairman Kaysone Phomvihane organizes a grand banquet for us in an atmosphere of close friendship, and he has delivered a speech filled with profound sentiments of affection and cordiality. On behalf of the Chinese government and people and in my own name and that of my wife, I would like to express sincere thanks to Comrade Chairman Kaysone Phomvihane and his wife as well as to the government and fraternal people of Laos.

Laos is a country with beautiful scenery and full of natural resources. The Lao people are industrious and maintain good customs. In the past, the Lao people, under the leadership of the Lao People's Revolutionary Party [LPRP], had persistently carried out a protracted struggle for national independence and liberation. At present, they have concentrated their energies and intelligence on carrying out the cause of economic building and modification, thereby recording outstanding achievements. Over the previous years, you comrades have reaped an increased production of rice; you have achieved development in industrial production; markets in your country have thrived; and the people's living conditions have been further improved. We sincerely wish the Lao people new, ever greater achievements in the cause of building the economy and carrying out the modification.

China and Laos are neighboring, friendly countries sharing common mountain ranges and waterways. The people of the two countries have maintained harmony since ancient times. In the cause of the protracted struggle against the imperialists and colonialists and for the economic construction, our two peoples have helped and supported each other and established a profound friendship. Following the successful visit to China by Comrade Chairman Kaysone Phomvihane last year, the said friendship has been restored and developed. Over the past year or so, the two sides have widely made exchanges and developed cooperation in all fields, in

particular in the political, economic, cultural, and sports fields, and have recorded satisfactory achievements. The Chinese government and people have utmostly appreciated the friendly, neighborly relations and the traditional friendship between the peoples of the two countries. We hope that following this visit to your country, the mutual understanding and mutual trust will be further strengthened and the friendly relations and cooperation between the two countries will be enhanced.

At present, the world situation is changing in an important stage. On one hand, the east-west relations have been improved while the military confrontation has been relaxed, thus bringing about the settlement of crucial problems in certain regions in favor of world peace. On the other hand, the world is now in the situation in which the old is being replaced by the new—the old surroundings are being demolished while the new ones are emerging. In certain regions, stability has not yet been achieved. In view of this world situation, in the immediate future, the Chinese government and people are pleased to make efforts, together with peace-loving countries and people throughout the world, to lead the world situation to further develop in a direction beneficial to peace and stability.

China is concentrating on building socialism with a special shape. In this regard, we continue to regard economic construction as the main issue. We have adhered to the four basic principles and pursued the reform and open-door policy in an attempt to fulfill the strategic target of economic development by the end of this century and in the first 50 years of the next century. We are determined to keep the situation in the country in which durable solidarity and tranquility are maintained. We also want to see international peace and stability maintained. We are pleased to promote relations with various countries in the world on the basis of the five principles of peaceful coexistence. We even hope to enhance the friendly relations with neighboring countries. We are elated to note that the relations between China and the ASEAN member countries have been greatly developed this year. We also wish to improve our relations with the Indochinese countries. At present, the Sino-Lao relations have been favorably developed.

Along with the just, comprehensive, and reasonable settlement of the Cambodian problem through a political means, the Sino-Vietnamese relations will be also improved step by step. We hope to see Southeast Asia turned into a region of genuine peace, stability, and prosperity to contribute to peace and development of Asia and the world.

Now, I would like to propose a toast to the prosperity of the LPDR and the happy and plentiful life of the Lao people, to the friendship and cooperation of the two peoples of China and Laos, to the good health of Comrade Chairman Kaysone Phomvihane and wife, and to the good health of all comrades and friends here.

After the banquet, Council of Ministers Chairman Kaysone Phomvihane and his wife accompanied Chinese Premier Li Peng and his wife to view the art performances staged by the central art troupe and a troupe of the national art and music school. They also joined in performing the traditional Lao dance in a joyous atmosphere.

Lays Wreath at Monument

OW1612072290 Beijing XINHUA in English
0635 GMT 16 Dec 90

[Text] Vientiane, December 16 (XINHUA)—Visiting Chinese Premier Li Peng laid a wreath to the "Unknown Soldiers' Monument" here this morning.

The monument, a white Lao-style pagoda, was built in memory of the unknown fighters who gave their life for Laos' national, democratic revolution.

The ribbon on the wreath reads in Chinese: "Eternal Glory to Laos' Unknown Soldiers."

Talks with Kaysone Phomvihane

OW1612113590 Beijing XINHUA Domestic Service
in Chinese 0826 GMT 16 Dec 90

[By XINHUA reporter Ma Shengrong (7456 0524 2837) and RENMIN RIBAO reporter Sun Dongmin (1327 2639 3046)]

[Text] Vientiane, 16 Dec (XINHUA)—Visiting Chinese Premier Li Peng held talks here today with Kaysone Phomvihane, chairman of the Council of Ministers of Laos.

Premier Li Peng first conveyed cordial regards from General Secretary Jiang Zemin and President Yang Shangkun to Chairman Kaysone, and to Souphanouvong and Phoumi Vongvichit, president and acting president respectively of the Lao People's Democratic Republic.

Premier Li and Chairman Kaysone exchanged views on the current international situation and on some of the major international issues.

Kaysone said: "Laos and China hold identical or similar views on some of the international issues."

Premier Li briefed Kaysone on the development of China's foreign relations, including its relations with neighboring countries.

On bilateral relations, Premier Li said: "Relations between China and Laos have been greatly developed since Chairman Kaysone's visit to China in October last year. As a result, exchanges and cooperation have been strengthened. At present, good relations exist between our two countries. Talks on the border issue are now going on, and I believe that the problem can be solved in the spirit of mutual understanding and mutual accommodation."

Premier Li announced that China will extend a long-term interest-free loan to Laos in the amount of 50 million renminbi and will give Laos a satellite earth station. He said: "The satellite earth station will be presented in order to promote friendship between Chinese people and Lao people, and to help the Lao people better understand China and obtain international information."

Chairman Kaysone agreed with Premier Li on his views on bilateral relations and believed that such relations will develop further.

Kaysone briefed Li on Laos' domestic situation. He said: "After a long period of efforts, the Lao people have ensured the country's independence, self-reliance, and territorial integrity. Laos has achieved good results in making its policy decisions in accordance with its national conditions. Laos upholds the party leadership, socialism, and the mass line, and it will give further play to the role of the people's democratic regime."

Chairman Kaysone asked Premier Li to convey his cordial regards to Comrade Deng Xiaoping, President Yang Shangkun, and other Chinese party and government leaders.

Premier Li, on behalf of President Yang Shangkun, invited acting President Phoumi Vongvichit to visit China. At the same time, he welcomed another visit to China by Chairman Kaysone.

Qian Qichen, Phoun Sipaseut Meet

OW1612100390 Beijing XINHUA in English
0947 GMT 16 Dec 90

[Text] Vientiane, December 16 (XINHUA)—Chinese Foreign Minister Qian Qichen exchanged views with his Lao counterpart Phoun Sipaseut on international and regional issues when they met here this afternoon.

Officials Agree on Relations

OW1612125590 Beijing XINHUA in English
1228 GMT 16 Dec 90

[Text] Vientiane, December 16 (XINHUA)—China and Laos agreed here today to strengthen economic relations and expand bilateral trade.

The agreement was reached during talks between Li Lanqing, Chinese vice-minister of foreign economic relations and trade, and Phao Bounnaphon, Laotian minister of trade and foreign economy.

The two ministers exchanged views on trade, including border transactions, and economic cooperation in other fields.

An agreement on economic and technical cooperation between the two countries is expected to be signed on Monday.

The Chinese vice-minister is here as a member of the entourage of Chinese Premier Li Peng on his four-nation Asian tour.

Li Peng arrived here Saturday after visiting Malaysia and the Philippines. He is scheduled to fly to Sri Lanka on Monday.

Visits Overseas Chinese, Embassy

OW1612200490 Beijing XINHUA Domestic Service in Chinese 1340 GMT 16 Dec 90

[By reporter Huang Yong (7806 0516)]

[Text] Vientiane, 16 Dec (XINHUA)—This afternoon, Premier Li Peng called on representatives of Overseas Chinese and Chinese nationals and the staff of the Chinese embassy in Laos.

During a conversation with the representatives of Overseas Chinese and Chinese nationals, Li Peng said that the purpose of his current visit to Laos was to strengthen the developing friendly relations between China and Laos. As the national boundaries of China and Laos are connected, establishment of good-neighborly relations between the two countries will benefit both sides. He said he believed the visit will further strengthen cooperation and friendship between the two countries.

He was happy to see that Overseas Chinese and Chinese nationals living or doing business in Laos get along well with the local people. He urged them to continue to work hard and contribute to the progress and prosperity of Laos.

Premier Li Peng also talked to the staff of the Chinese Embassy in Laos. He said: One of our purposes in pursuing an independent policy is to improve our relations with peripheral countries. We should pool our efforts to advance socialist construction and modernization. To achieve this goal, we should improve our relations with all countries on the basis of the five principles of peaceful coexistence.

Premier Li Peng also briefed them on China's domestic situation. He said the political situation in China is stable, the economy is developing in the right direction, and inflation has been brought under control.

He said: Next year we will launch "the quality, efficiency, and variety year." If we want quality, we must not be satisfied with only quantity.

Premier Li Peng also separately posed for a picture with the representatives of Overseas Chinese and Chinese nationals and the staff of the Chinese Embassy.

Meets Assembly President

OW1712092890 Beijing XINHUA in English 0916 GMT 17 Dec 90

[Text] Vientiane, December 17 (XINHUA)—Chinese Premier Li Peng, describing his visit to Laos as "successful," said here today that the two sides were identical on many issues.

At a meeting with President Nouhak Phoumsavan of Laos' Supreme People's Assembly, Premier Li said that they were pleased to see the achievements made by the Lao people.

The Chinese premier attributed these to the correct policies the Lao Government has pursued in light of the actual conditions of the country.

Li Peng also praised Laos' agricultural policy, saying that as a developing country, it is of vital importance to do a good job in the agricultural field.

President Nouhak said that "it is both important and correct for China to pursue a policy of reform and the opening to the outside world and to adhere to the four cardinal principles."

The president, calling premier's official visit to Laos "a new milestone in the history of bilateral relations," said that "the visit has made major contribution to the consolidation of friendly ties between the two nations." The Lao president expressed his belief that the friendly relations between the two countries will further developed.

Praises Lao Economic Policy

OW1712094090 Beijing XINHUA in English 0930 GMT 17 Dec 90

[Text] Vientiane, December 17 (XINHUA)—Chinese Premier Li Peng called on Laos' Acting President Phoumi Vongvichit this morning.

Laos' acting president, on behalf of the whole Laotian people, accorded a warm welcome to the Chinese premier's Laos visit by saying, "We are pleased to witness the bilateral ties and exchange of visits between the two countries have been increasing since Kaysone Phomvihane, chairman of the Council of Ministers' China tour last year."

Vongvichit said "Laos and China are good neighbors, which are linked by common mountains and rivers, no force can separate us."

Li Peng said: "China and Laos enjoy deep and traditional friendship. We supported and helped each other during the period of our revolutionary wars. The relations of our two nations have enhanced greatly since Chairman Kaysone's China tour last year. I believe that his visit and my current visit will continuously promote the friendly ties between our two countries."

"During the visit, we noticed that Laos has attained achievements in all fields because it pursues a correct economic policy," Li added.

Li Peng praised Laos for implementing a policy in accordance with its specific situation by strengthening people's democratic power and embarking on the road of transition to socialism.

Li Peng invited Vongvichit to visit China at his convenience to call on his old friends in China and see for himself the situation in China.

Meets With Phoumi Vongvichit

BK1712090990 Vientiane Domestic Service
in Lao 0500 GMT 17 Dec 90

[Text] At 0935 [0235 GMT] today, Phoumi Vongvichit, acting president of the Lao People's Democratic Republic [LPDR], received, at the Presidential Office in Vientiane, a courtesy call from Li Peng, premier of the PRC, his wife, and delegation. On this occasion, Phoumi Vongvichit welcomed the official visit to Laos of the PRC Government delegation led by Premier Li Peng, the visit which, he said, has contributed to further strengthening relations between the two countries. He noted: We have said that Laos and China are close neighboring countries linked with land, waterways, and mountain ranges which cannot be separated from each other. He also highly assessed the invaluable assistance given to our Laos by the Chinese Government and people. He said: The assistance has contributed to the victory of our past national salvation struggle as well as to our present struggle to defend and build the country. The acting president also conveyed best regards to the party and state leaders of the PRC and all Chinese people, and wished for the increasing improvement and development of Lao-Chinese relations.

On this occasion, Premier Li Peng expressed thanks to Phoumi Vongvichit for the warm welcome. He has highly appraised the correct leadership line of the Lao People's Revolutionary Party and the LPDR Government, which have led the entire Lao people to consolidate, perfect, promote, and expand the popular democratic system and march forward step by step along the socialist path. He then informed Phoumi Vongvichit of the construction and development of China. He said: Over the past more than 10 years, following the implementation of the reform and open-door policy as adopted by Deng Xiaoping, the PRC has won satisfactory achievements in many fields. Li Peng also took this occasion to extend an invitation to Phoumi Vongvichit and his wife to visit the PRC. Phoumi Vongvichit has accepted the invitation with pleasure.

Earlier, this morning, Li Peng and his delegation, accompanied by Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs, called on Nouthak Phoumsavan, chairman of the Supreme People's Assembly at the meeting hall of the Council of

Ministers. The meeting proceeded amid a good atmosphere of cordiality and friendship from beginning to end.

Attends Agreement Ceremony

OW1712132890 Beijing XINHUA Domestic Service
in Chinese 0915 GMT 17 Dec 90

[By reporters Huang Yong (7806 0516) and Zhou Shuchun (0719 2885 2504)]

[Text] Vientiane, 17 Dec (XINHUA)—Chinese Premier Li Peng concluded an official good-will visit to Laos and departed here for Sri Lanka by special plane this morning.

A grand farewell ceremony was held at the airport. After the military band played the Chinese and Lao national anthems, premier Li Peng inspected an honor guard of the Lao People's Army in the company of chairman Kaysone and marched around the arena, shaking hands with and bidding farewell to senior officials of the Lao Government, National Assembly, and Army, and representatives of government ministries and commissions and mass organizations, as well as Lao residents of Chinese origin and Overseas Chinese in Laos.

Before Li Peng's departure for the airport, Chairman Kaysone called at the State Guesthouse to bid farewell to the Chinese premier. The Chinese premier said his visit to Laos has been successful and would further promote friendly relations between the two countries. Chairman Kaysone hoped that Premier Li Peng would visit Laos again.

Afterwards, the two leaders attended a ceremony to sign a Sino-Lao governmental agreement on economic and technical cooperation, including the presentation of a television satellite earth station by China to Laos, and to exchange a document on dispatching a comprehensive study group from China to Laos. Li Lanqing, Chinese vice minister of foreign economic relations and trade, and Phao Bounnaphon, Lao minister of foreign trade and economic relations, signed the papers respectively on behalf of their governments.

Lao Foreign Minister Phoun Sipaseut, in an interview with XINHUA and Chinese international radio station reporters at Wadai Airport after Premier Li Peng's departure, said that Premier Li Peng's visit had strengthened friendly relations between Laos and China while signalling a bright future for friendly and cooperative relations between the two countries. He pointed out that although the visit was brief, it is of great historic significance. In the name of the Lao Government and people, he warmly congratulated premier Li Peng's successful visit to Laos.

Ends Visit

OW1712082190 Beijing XINHUA in English
0804 GMT 17 Dec 90

[Text] Vientiane, December 17 (XINHUA)—Chinese Premier Li Peng left here today for Colombo, Sri Lanka, after a three-day official good-will visit to Laos.

Before Li Peng's departure, Chairman Kaysone Phomvihane of Laos' Council of Ministers had a farewell talk with him at the State Guesthouse. Kaysone then presided over a ceremony at the airport to see Li Peng off.

Earlier in the day, Li had toured Luang Square, site of the 400-year-old that Luang Pagoda, a symbol of Vientiane.

Li Peng called on President Nouthak Phoumsavan of Laos' Supreme People's Assembly, and then, Laos' Acting President Phoumi Vongvichit.

Sri Lanka is the final leg of Li Peng's current four-nation Asian tour.

Article Views 'Crux' of Cambodian Issue

HK1612081890 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 50, 10 Dec 90, p 28

[Article by Shen Xiaoquan (3088 1321 3123): "Where Does the Crux of the Cambodian Issue Lie?"]

[Text] Since the convention of the Paris International Conference on the Cambodian Issue, 15 months have passed. In this period, the broad international community has made unremitting efforts to seek a comprehensive political solution to the conflicts in Cambodia and has achieved marked results. The four sides in Cambodia, however, now still fail to reach any agreement. What will the prospects of the resumed Paris International Conference and the eventual settlement of the Cambodian issue be? This has become the focus of international attention.

The principles for the comprehensive political settlement of the Cambodian issue were established at the international conference held in Paris in August last year, and stress was laid on the importance of ensuring that the four parties in Cambodia can participate in the peace process all on an equal footing. However, because Vietnam and the Phnom Penh regime tried hard to exclude the Khmer Rouge, a major resistance force, from the peace process, the talks on such important issues as force withdrawal, cease-fire, and the composition of the government in the transitional period were bogged down in deadlock. The Paris International Conference was forced to adjourn before any agreement was reached.

The deadlock at the negotiating table led to the escalation of the military conflicts. To prevent the further spread of the flames of war and to seek an effective way to political settlement, the five permanent member nations of the UN Security Council held six rounds of

vice-ministerial-level talks in Paris and New York from early 1990. Through the joint efforts of the five countries, they eventually concluded the final agreement on 27 August on the framework of the program for the comprehensive political settlement of the conflicts in Cambodia. The nuclear part of the agreement concerned the establishment of the National Supreme Council in Cambodia, which would be the supreme power organ of Cambodia in the whole transitional period from Vietnam's thorough force withdrawal to the election of the new government. The council would give all necessary powers to the United Nations in the transitional period to ensure the all-around implementation of the agreements concerned when the program for comprehensive settlement is signed. This would include the administrative power, and the power to organize free and fair elections. The five nations welcomed Prince Sihanouk taking the chairmanship of the National Supreme Council. In the military field, the program stipulated that after the cease-fire begins, troops of various factions should assembled in designated areas (rather than in their original base areas), and their weapons should be put elsewhere.

On 10 September, with the mediation of the co-chairmen of the Paris International Conference (France and Indonesia), the four parties in Cambodia made compromises to each other at a meeting in Jakarta, and announced that they accepted the peace program of the five permanent members of the UN Security Council and decided to set up the National Supreme Council. The council was to be composed of 12 members, with six from Phnom Penh and two from each of the resistance forces. The four parties, including the Phnom Penh regime, issued a statement after the meeting, announcing that they accepted the documents adopted by the five permanent members of the UN Security Council and would take the documents as the foundation for settling the conflicts in Cambodia. All of them also promised to make further effort in order to turn these documents into a comprehensive solution through joining hands with other participants of the Paris International Conference. This agreement reached by the four Cambodian parties was deeply appreciated and praised by various sides, and was regarded as a "key step" toward peace in Cambodia.

After breakthroughs were made on the political settlement of the Cambodian issue, the co-chairmen of the Paris International Conference began to prepare for the resumption of the Paris International Conference on the Cambodian Issue. On 9 and 10 November, representatives of the five permanent nations in the UN Security Council and other 12 nations concerned held a meeting of the working group in Jakarta to deliberate the proposed outline of the draft resolution on the comprehensive settlement of the Cambodian issue put forward by the co-chairmen. The meeting participants reached wide-ranging agreement on the draft agreement worked out within the framework of the five documents adopted by the five permanent nations in the UN Security Council.

Immediately after that, the co-chairmen, the permanent nations in the UN Security Council, and the representative of the UN secretary general held another working meeting from 23 to 25 November in Paris. Through repeated discussions, they completed the drafting of the agreement for the comprehensive political settlement of the Cambodian issue, its five appendices, and another three relevant documents. All these draft documents were then submitted to the coordination committee of the Paris International Conference for scrutiny until they are eventually adopted by the ministerial-level meeting of the international conference. Thus, the preparations for the resumption of the Paris International Conference were basically completed.

When things developed to this stage, it seemed the conditions were ripe for settling the conflicts in Cambodia once and for all. There remained, however, a substantial gap between expectation and reality. As the saying goes, "everything is ready except an east wind—a crucial factor." That is to say, although the international community, as an external factor for promoting the process, had created all necessary conditions for the settlement of the Cambodian issue, the "east wind" that determined the changes still failed to appear, and the conflicting parties in Cambodia still failed to reach any real consensus on some fundamental issues. Son Sann, prime minister of Democratic Kampuchea, said sadly and angrily: "The international community has taken great pains in order to help our Cambodians shake off the suffering of war, but some people in Cambodia are still behaving capriciously for the sake of their selfish interests and refuse to make concessions. This is Cambodia's real tragedy."

Son Sann's lamentable remark was recently proved by some facts. Hun Sen, prime minister of the Phnom Penh regime, gave a speech on a local radio after the end of the working meeting in Paris. He flatly rejected the agreement reached at the meeting, insisted that the United Nations must not have any administrative power, and refused to disband the Phnom Penh government and its armed forces. Hun Sen clearly indicated in September that he would accept the peace program of the five permanent nations in the UN Security Council; but he now simply disregarded his own promise. This fully showed that the Phnom Penh regime lacked sincerity for the political settlement of the conflicts in Cambodia.

On the other hand, Vietnam, which had to bear unshirkable responsibility for the present situation in Cambodia, has never made any concessions on the crucial issues concerning its fundamental interests, although it has paid lip service to the "force withdrawal" and made certain promises on the political settlement of the Cambodian issue under the international opinion pressure. As Niasakun [7680 5646 2492], Cambodian ambassador to the UN Educational, Scientific, and Cultural Organization, said, "Hanoi does not want to see any genuine settlement of the conflicts in Cambodia, because a Cambodia mired in a chaotic situation of war will provide a pretext for its eventual comeback."

Another noticeable trend was the sign that the Soviet Union was also drawing back from its position in August when the five permanent nations in the UN Security Council reached agreement. Reportedly, at the Paris working meeting in late November, the Soviet side stubbornly refused to give more power to the United Nations. Soviet Vice Foreign Minister Rogachev [luo gao shou 5012 7559 1108] also clearly indicated after the meeting that his government had "certain reservation" about the agreement reached by other countries. This echoed the position of a statement issued on 23 November by officials of the Soviet Union, Vietnam, Laos, and Phnom Penh on strictly restraining the power of the United Nations in Cambodia, refusing to disband the Phnom Penh regime and to reduce its armed forces.

Such remarks and attitude that contradicted the spirit of the agreement of the five nations in the UN Security Council cast an ominous shadow over the political settlement of the Cambodian issue.

To prompt various parties in Cambodia to quickly reach agreement, the Paris working meeting issued a communique, calling for various parties in Cambodia to reach agreement on the establishment of the National Supreme Council and set it in motion as soon as possible. The meeting also enjoined the co-chairmen to discuss the documents to be considered by the international conference with the National Supreme Council in motion. Prince Sihanouk, who was then in Paris and had put forward a proposal to the three resistance forces and the Phnom Penh side, immediately convened an urgent meeting in Paris to discuss the issue of the National Supreme Council. The three resistance parties made positive response, but the Phnom Penh side hesitated. The reactions of Phnom Penh were not strange to people, because Hun Sen had been capricious on the issue of the National Supreme Council and had again and again raised obstacles. He sometimes demanded that one more seat be left for Phnom Penh; sometimes demanded that he be made one of the co-chairmen; and sometimes demanded that the vice-chairmanship be set up and he be appointed to that post. His purpose was nothing but to control this council so the power and interest of the Phnom Penh regime can be maintained.

Some diplomats in Paris said that the establishment of the National Supreme Council normally operating in Cambodia will be a precondition for the resumption of the Paris International Conference, and whether various parties in Cambodia can reach an agreement on this point will be a crucial step for the comprehensive political settlement of the Cambodian issue.

Near East & South Asia

Reportage on Li Peng's Visit to Sri Lanka

Makes Arrival Statement

OW1712132590 Beijing XINHUA in English
1306 GMT 17 Dec 90

[Text] Colombo, December 17 (XINHUA)—Chinese Premier Li Peng today said he expects his current visit

here will strengthen the "very friendly" relations between China and Sri Lanka.

Premier Li, who made this remark in a written statement issued upon arrival at the Colombo International Airport this afternoon, is on a three-day official good-will visit to this country.

Referring to the "profound traditional friendship between the peoples of China and Sri Lanka," Li said relations between the two countries has enjoyed "unprecedented development on a new basis" in the past four decades.

Li expects his visit will promote traditional, friendly ties and further consolidate bilateral cooperation between the two countries.

Sri Lanka is the final leg of Li's 10-day, four-nation Asian tour. He arrived here from Vientiane after visiting Malaysia, the Philippines and Laos.

Hopes for Strengthened Ties

OW1712131290 Beijing XINHUA in English
1256 GMT 17 Dec 90

[Text] Colombo, December 17 (XINHUA)—Chinese Premier Li Peng received a warm welcome at the Colombo International Airport today at the start of a three-day official good-will visit to Sri Lanka.

Premier Li is on the last leg of a 10-day, four-nation Asia tour of Malaysia, Laos, the Philippines and Sri Lanka.

Li, his wife Zhu Lin, and his entourage were greeted at the airport by Sri Lankan Prime Minister D.B. Wijetunge, several cabinet ministers and high-ranking government and military officials.

Wijetunge introduced Li to Sri Lankan Government officials, including Foreign Minister Harold Herat and Minister-in-Attendance P. Dayaratne, while Li presented the principal members of his official party.

Sri Lankan former Prime Minister and opposition leader Mrs. Sirimavo Bandaranaike also gave a warm welcome to Li.

The Chinese premier received a Sri Lankan Air Force guard of honor escort and a gun salute by the Sri Lankan Armed Forces.

In a written statement upon his arrival, Li said that the purpose of his visit to Sri Lanka is to promote the friendship between China and Sri Lanka, to strengthen bilateral cooperation and to further develop relations between the two countries.

There exists a profound traditional friendship between the peoples of China and Sri Lanka, which remains strong, he said.

This visit, Li said, will surely meet the expected purpose of further strengthening and developing the friendly relations and cooperation between the two countries.

Premier Li's entourage includes Foreign Minister Qian Qichen, Minister in Charge of the State Commission for Restructuring the Economy Chen Jinhua, Vice-Minister of Foreign Economic Relations and Trade Li Lanqing, and Vice-Minister of Public Security Tao Siju.

Chinese and Sri Lanka national flags lined the 30-kilometer-long highway leading from the airport to Colombo as the Chinese premier's motorcade drove into the city.

Premier Li is scheduled to hold official talks with Sri Lankan President Ranasinghe Premadasa, who will later host a state banquet for Li and his party at his private home.

Envoy Views Visit

OW1612003990 Beijing International Service
in Mandarin 0900 GMT 14 Dec 90

[Interview with Suhita Gautamadasa, Sri Lankan ambassador to the PRC, by station reporter Zhao Baocheng; from the "Report on Current Events" program; place and date not given]

[Text] Premier Li Peng's visit to four Asian countries—Malaysia, the Philippines, Laos, and Sri Lanka—began on 10 December as a silver eagle soared into the blue skies. The visit's last stop is Sri Lanka, an island state in the Indian Ocean. On this occasion, station reporter Zhao Baocheng interviewed Suhita Gautamadasa, Sri Lankan ambassador to China.

The reporter first asked the ambassador to comment on the development of the friendly relations between China and Sri Lanka.

[Gautamadasa heard speaking briefly in Sinhalese fading into Mandarin by announcer] The friendly relationship between China and Sri Lanka can be traced back as early as the beginning of the fifth century when it was recorded in Chinese annals. Sri Lanka was among the first countries to recognize the People's Republic of China when it was founded on 1 October 1949. After the establishment of diplomatic ties in 1957, their leaders have exchanged visits many times and the two governments have supported each other in various fields. With unremitting efforts, Sri Lanka helped China regain its legitimate seat in the United Nations.

On the economic front, the two countries signed rice and rubber agreements in 1952, laying a solid foundation for bilateral economic cooperation. Under friendly agreements signed between the two countries, China has offered huge economic aid to Sri Lanka on many occasions, including 14 economic aid projects.

China and Sri Lanka also have inked a number of cultural accords, under which cultural and health organizations as well as writers, artists, and scholars in the two countries frequently have visited one another, thus expediting cultural exchanges. Radio Beijing, for example, has started a Sinhalese-language broadcast service to Sri Lanka.

As for the significance and impact of Premier Li Peng's visit to Sri Lanka, the ambassador said: Premier Zhou Enlai visited Sri Lanka in 1957 and 1964. Premier Li Peng's visit will be the first by a Chinese premier in 26 years and, therefore, is very important. My government takes this visit very seriously and regards it as another step taken by China to further its friendship with Sri Lanka. The visit will have an impact on Sri Lanka and other South Asian countries as well.

In the end, the ambassador commented on the prospect for the friendly relations between China and Sri Lanka. He said: Since the 1950's, no problems have ever occurred between China and Sri Lanka, because maintaining friendly relations is their common will. In fact, the two countries are striving to enhance such relations. Undoubtedly, Premier Li Peng's visit will give a tremendous impetus to this friendship.

China and Sri Lanka have signed an economic cooperation agreement, under which a joint committee on economic cooperation has been established. The joint committee, however, has not functioned well in the past few years. We are making efforts so that the committee may become efficient. This is a major issue facing us now. It further will expedite trade between China and Sri Lanka and thereby strengthen their friendship.

Newspaper Applauds Friendship

OW1512090090 Beijing XINHUA in English
0822 GMT 15 Dec 90

[Text] Colombo, December 15 (XINHUA)—China's genuine desire for friendship and co-existence has won understanding from most Third World countries, a leading Sri Lankan newspaper "DINAMINA" in an article on the eve of the Chinese premier's visit stressed Friday.

After detailing China's efforts for wide co-operation with Third World nations, the article said that as a traditional friend of these countries, China has successfully consolidated and deepened friendship with and gained trust from them.

It pointed out that while trebling her trade with Asian countries, in the last decade China has broken new ground in technical co-operation with most of Third World countries.

China, a Third World country herself, understands and sympathizes with the Third World countries who are victimized by the existing international economic order, the article concluded.

Wu Xueqian Receives Iranian Delegation

LD1512113890 Tehran IRNA in English 0950 GMT
15 Dec 90

[Text] Beijing, Dec. 15, IRNA—The visiting Iranian parliamentary delegation headed by Tehran deputy Ebrahim Asgharzadeh, discussed Tehran-Beijing ties and international issues with Chinese Vice-Premier Wu Xueqian here Friday.

Xueqian termed as beneficial, exchange of delegations between the two countries.

On the Persian Gulf crisis, he said that the only rational way for Iraq is to pull out of Kuwait which will also eliminate grounds for long-term presence of U.S. and other alien forces in the region.

Reiterating a peaceful end to the crisis, he said that Iran can be an effective and important factor in resolving the problem.

Asgharzadeh said that the current crisis in the Persian Gulf and presence of foreign forces have posed serious threats on the regional states. He added that the U.S. and the West are after finding ways to ensure their own long-term interests in the region.

He added that Iran will not accept giving any territorial concession to Iraq in return for its withdrawal from Kuwait and said that such a move will aggravate regional instability.

Wu Xueqian Reiterates Stand on Gulf Crisis

HK1412135090 Beijing ZHONGGUO XINWEN SHE
in Chinese 1212 GMT 14 Dec 90

[Report by Li Wei (2621 0251): "Wu Xueqian Says the Condition That Iraq Must Unconditionally Withdraw From Kuwait Must Be Adhered To"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 14 Dec (ZHONGGUO XINWEN SHE)—Chinese Vice Premier Wu Xueqian said when meeting this afternoon with an Iranian guest: "The requirement that Iraq must unconditionally withdraw from Kuwait must be adhered to."

When meeting with Asqarzadeh, chairman of the Iranian Islamic Consultative Assembly's Iran-China Friendship Group, Wu Xueqian also stressed that the five principles of peaceful coexistence are the basic principles in handling inter-country relations. China's stand on the Gulf crisis has been consistent: It firmly opposes Iraqi invasion of Kuwait, believes that Kuwaiti independence, sovereignty, and territorial integrity should be restored and at the same time advocates a peaceful resolution.

Asqarzadeh said that Iran attaches great importance to developing relations with China, and with the grim Gulf crisis situation, believes that it is all the more necessary to exchange opinions with China. Iran's and China's stands on the problem of the Gulf crisis are identical.

He also said that the development of friendly relations between Iran and China will favor peace in Asia, the potential for cooperation between the two countries has yet to be fully tapped, and he hopes that the two will strengthen cooperation in political, economic, and other areas.

The meeting was conducted at the Diaoyutai State Guesthouse.

'Yearender' Examines Results of Gulf Crisis

*OW1612015590 Beijing XINHUA in English
0052 GMT 16 Dec 90*

["Yearender: Gulf Crisis Has Global Effect" (by Yu Dabo Gao Qiufu)—XINHUA headline]

[Text] Cairo, December 15 (XINHUA)—The four-month-old Gulf crisis with all its ramifications and twists has affected the whole world characterized by an East-West detente.

Iraq's August 2 invasion of Kuwait came as a shock to the world and the causes of the crisis thus triggered are deep-seated.

The crisis is taking place as the world is undergoing a transitional period in which the old structure has been broken and a new one has not yet taken shape. It occurred as the United States shifted its attention to Eastern Europe shaken by dramatic changes since 1989 and the Soviet Union was busy, grappling with its own turbulent internal situation.

Iraq took the advantage and invaded Kuwait, its first step toward hegemonism in the Gulf and the Middle East as a whole.

The invasion drew immediate condemnation and opposition from the entire world which demands an unconditional Iraqi withdrawal. And the U.N. Security Council has adopted 12 resolutions to this effect.

The invasion also prompted the United States and other Western countries to deploy troops in the Gulf to contain any possible further moves by Iraq and defend their strategic interests, including their oil supplies from the area.

Led by the U.S. and supplemented by other 26 countries, the 400,000-strong multinational force is now posed against the 500,000 Iraqi troops, pushing the Gulf region into the "brink of war" and turning an inter-Arab crisis into a far-reaching international one.

Interwoven with conflicting interests, the gravity and complexity of the crisis have never been so great since the Second World War.

Nevertheless the tense and volatile Gulf situation has not yet gone beyond control, and the two battle-ready parties still keep "a deterrent posture."

What has prevented the further deterioration of the crisis is, as observers here put it, the pressure from the Arab and international public opinion calling for a peaceful solution as well as the apprehensions of the parties involved about their own interests.

It is well-recognized that a military confrontation would not only victimize Iraq, but would also inflict "an unprecedented catastrophe" upon other Gulf countries and jeopardize world peace and stability.

Taking all this into account, all countries concerned about the crisis have not given up their efforts for a peaceful solution, and the conflicting parties have refrained from any decisive moves despite their harsh rhetoric.

As for Iraq, it is unlikely to risk another venture since it has occupied Kuwait to "digest" and wants to avoid an attack by the superior multinational force. The United States, meanwhile, hesitates about taking any hasty action for fear of damage done to its strategic interests and long-time objectives in the Gulf.

Given this complicated circumstances, the United States has resorted to a policy of "seeking change through pressure," while Iraq has taken the strategy of "expecting change through procrastination." Both sides, however, are playing the same game of winning time, each trying to turn the tide in its own favor. Because of this, their conflict is described as "a difficult tug-of-war in terms of will and stamina."

The Gulf crisis has considerably affected the Middle East and the whole world. The Arab League, once a symbol of Arab solidarity, has been virtually split. Political realignment has taken place among Arab countries and most of them have suffered economic losses.

The United States, with its influence in the Middle East strengthened, will face growing Arab resistance against its control. At the same time, the struggle between the U.S. and other Western countries for Mideast oil, funds and market is to be intensified. Moreover, the world economy will be greatly influenced by the changes in the oil-rich Middle East.

More than four months of political isolation, economic sanctions and military pressure have failed to force a change in Iraq's intransigence. The U.N. Security Council passed its 12th resolution on November 29 endorsing "all necessary means" to end Iraq's occupation of Kuwait if it does not quit by January 15.

With the deadline drawing nearer, the danger of war increases. But efforts for a peaceful solution continue unabated. The U.S. and Iraq have agreed to hold direct talks on the Gulf crisis beginning later this month, and bilateral contacts have been reportedly underway to prepare for the dialogue. To add to this positive move, Iraq has freed all Western hostages as a sign of flexibility.

Despite all this, it is still difficult to predict the prospects of the crisis.

It is widely held that the Gulf crisis, no matter how it will end, demonstrates that detente and cooperation between the United States and the Soviet Union are not bringing peace and tranquillity to the world as the rapidly changing international situation is brewing new factors of unrest.

Sub-Saharan Africa

SWAPO Delegation Continues Visit to Beijing

Meets Wu Xueqian, Zhu Liang

OW1412120090 Beijing XINHUA in English
1111 GMT 14 Dec 90

[Text] Beijing, December 14 (XINHUA)—Wu Xueqian, member of the Political Bureau of the Central Committee of the Communist Party of China (CPC) and vice-premier met and hosted a dinner for a delegation of the South West Africa People's Organization (SWAPO) here this evening.

The delegation led by Moses Garoeb, member of the Political Bureau of the Central Committee and chief coordinator of the SWAPO, has been here on a week-long visit at the CPC invitation.

Zhu Liang, member as well as head of the International Liaison Department of the CPC Central Committee, was present at the meeting and the dinner.

Meets Jiang Zemin

OW1712075290 Beijing XINHUA in English
0724 GMT 17 Dec 90

[Text] Beijing, December 17 (XINHUA)—Jiang Zemin, general secretary of the Communist Party of China (CPC) Central Committee, met with a delegation of the South-West Africa People's Organization (SWAPO) here this morning.

The delegation is led by Moses Garoeb, member of the Political Bureau of the Central Committee and chief coordinator of the SWAPO.

According to a Chinese official present at the meeting, Jiang extended a warm welcome to the SWAPO delegation, the first of its kind ever to visit China since Namibia gained independence.

After Garoeb briefed him on the situation in Namibia, Jiang said he believed the SWAPO would work out and implement correct policies according to Namibia's own conditions and unite most of its people to build a prosperous Namibia.

Both Jiang and Garoeb recalled the friendly exchange between the CPC and the SWAPO and hoped their relationship would continue to grow.

Garoeb handed to Jiang a letter from Sam Nujoma, Namibian president and SWAPO president and thanked the CPC for its support for the Namibian people in their struggle for independence.

Jiang asked Garoeb to convey his greetings to Nujoma.

Since its arrival December 14, the SWAPO delegation held talks with officials of the Liaison Department and the Organization Department of the CPC Central Committee. The visitors are scheduled to visit Shanghai before leaving for home December 22.

West Europe

Vice Premier Tian Jiyun Meets German Official

OW1512102690 Beijing XINHUA in English
0904 GMT 15 Dec 90

[Text] Beijing, December 15 (XINHUA)—Chinese Vice-Premier Tian Jiyun met with S. Leng, German state secretary for the Ministry of Economic Cooperation, and his party here this afternoon.

They had a friendly conversation on issues of common concern.

Extending a warm welcome to Leng, Tian called him "an old friend of the Chinese people."

Tian said Germany is China's important economic and trade partner and China attaches importance to its cooperative relationship with Germany.

He said that Leng's current visit would serve to further promote the friendship between the two states and the two peoples.

Leng said he also hoped bilateral relations of cooperation will continue to grow.

Leng is here to attend the eighth meeting of the mixed committee between the two governments on finance and development aid, which ended yesterday.

According to a summary of the meeting signed yesterday, the two countries will strengthen cooperation in the fields of economy, trade, professional training and environmental protection.

Wu Xueqian Receives Finnish Foreign Official

OW1712092390 Beijing XINHUA in English
0742 GMT 17 Dec 90

[Text] Beijing, December 17 (XINHUA)—Chinese Vice-Premier Wu Xueqian met with Ake Wihtol, state secretary of the Finnish Foreign Ministry, and his party here this morning.

They exchanged views on bilateral relations and international issues of common concern.

Wihtol arrived here last Friday. The following day Chinese Vice-Minister of Foreign Affairs Tian Zengpei held talks with him. Besides Beijing, the Finnish visitors will tour Shanghai and Suzhou.

Latin America & Caribbean

Reception Marks Sino-Chilean Diplomatic Ties

OW1412132290 Beijing XINHUA in English
1250 GMT 14 Dec 90

[Text] Beijing, December 14 (XINHUA)—The Chinese People's Association for Friendship With Foreign Countries (CPAFC) and the China-Latin America Friendship Association gave a reception here this evening to mark the 20 anniversary of the establishment of diplomatic ties between China and Chile.

Peng Chong, vice-chairman of the National People's Congress Standing Committee; Han Xu, president of the CPAFC; and Eduardo Bravo, Chilean ambassador to China, were present on the occasion.

In their toasts, both Han and Bravo said they were satisfied with the smooth development of the relations between the two nations in the past two decades, hoping this relationship be further promoted.

Wu Xueqian, Han Xu Attend

OW1512133490 Beijing XINHUA in English
1320 GMT 15 Dec 90

[Text] Beijing, December 15 (XINHUA)—The Chilean Ambassador to China Eduardo Bravo held a banquet at the embassy here today marking the 20th anniversary of the establishment of diplomatic relations between Chile and China.

Attending the banquet were Vice-Premier Wu Xueqian and Han Xu, president of the Chinese People's Association for Friendship With Foreign Countries.

Women's Group Meets Mexican Parliament Speaker

OW1512061690 Beijing XINHUA Domestic Service
in Chinese 0844 GMT 14 Dec 90

[Text] Mexico City, 13 Dec (XINHUA)—On 13 December, Guillermo Jimenez, speaker of the Mexican Chamber of Deputies, met a Chinese women's delegation led by Nie Li, vice president of the All-China Women's Federation, here.

At the meeting, Speaker Jimenez pointed out: In recent years, bilateral friendly exchanges in various aspects, including visits by parliamentary delegations between Mexico and China, have gradually increased. He said that soon he would visit China at an invitation of China's National People's Congress.

Before the meeting, Mexican female parliamentarians held a breakfast meeting to welcome the delegation from the All-China Women's Federation. Nie Li briefed the Mexican friends on the important roles of Chinese women in political life and production.

Women's Delegation Returns From Trinidad

OW1012043590 Beijing XINHUA in English
0204 GMT 10 Dec 90

[Text] Port-of-Spain, December 9 (XINHUA)—A delegation from the All-China Women's Federation left here today after a five-day visit to this Republic of Trinidad and Tobago.

At a special luncheon in their honour attended by the minister of education, Gloria Henry, both sides discussed the role of women in national economic construction and social developments and exchanged information of their special organisations and activities. Later they were entertained at a banquet given by the minister of social development and family service, Emanuel Hoz-ein. This occasion was also attended by the Chinese ambassador, Zhang Ruizong, and his wife.

During their stay, the women delegation also visited St. Francois Girls High School, a rehabilitation center for battered women, and Tobago Island.

Cuban Consulate General Opens in Shanghai

OW1212181590 Beijing XINHUA in English
1526 GMT 12 Dec 90

[Text] Shanghai, December 12 (XINHUA)—The Consulate General of Cuba was formally opened here today in accordance with a consular treaty between China and Cuba signed in 1989.

The opening represents the first consulate general in Shanghai opened by a South American country. Shanghai now has 13 consulates from Cuba, Poland, the United States, the Soviet Union, Britain, France, Germany, Iran, Japan, Canada, Italy, Australia and Czechoslovakia.

The Cuban consul general is Orlando Valdes who called on Shanghai Vice-Mayor Liu Zheyuan yesterday.

Political & Social

Daily Reports Deng Xiaoping Hospitalized

HK1712063090 Hong Kong PAI HSING in Chinese
No 230, 16 Dec 90 p 3

[Report by PAI HSING special correspondent: "Deng Xiaoping's Reportedly Serious Illness Worries Beijing"]

[Text] Beijing, 10 Dec—Recently, Deng Xiaoping's health problems have become a favorite topic amid the cold winter in Beijing. Some have said that Deng Xiaoping is in the hospital because he is critically ill, and others have said that he has joined Marx. Our reporter asked someone who is close to the Dengs, and he provided this answer: Deng Xiaoping is lingering on in a worsening condition.

A close friend of Deng Pufang [Deng's son] learned from Deng Xiaoping's children that Deng is suffering from a senile disease, like Mao Zedong had. He slobbers, cannot make his lips meet, makes indistinct utterances, and is hard of hearing; his hands and feet tremble but his mind is still sober.

After his return to Beijing from Beidaihe in late August this year, Deng Xiaoping had a light stroke. He was sent to a Beijing hospital for a medical check. This hospital is equipped with an imported nuclear magnetic resonator to detect brainwaves. Deng Xiaoping was given a brain scan.

To cure Deng Xiaoping of his slobbering, a friend introduced his wife Zhuo Lin to a woman doctor of Chinese herbal medicine in Sichuan, who was willing to provide treatment for Deng Xiaoping with Chinese medicinal herbs. Deng Xiaoping also agreed on the combination of Chinese and Western treatment methods.

At a time when Deng Xiaoping's condition is worsening, large-scale fortifications are being built in areas around Beijing City where millions of troops will be stationed to prevent the "civil war" that might break out after Deng's death. This measure has been taken out of consideration for the fact that some soldiers were not willing to carry out the "4 June" martial law orders, or for fear that a coup might take place, like the one after Mao Zedong's death. This indicates the restless minds of the octogenarians in Zhongnanhai.

Someone well informed about the political situation in Beijing told our reporter that since the 4 June incident, civilians have nursed deep grievances against Deng Xiaoping; they hope Deng Xiaoping will die soon so that a great change can occur to break the present suffocating atmosphere. A review of the past year's political developments indicates that this is not the appropriate time for Deng Xiaoping to die. Chen Yun, Yao Yilin, and Li Peng hate Deng's policy bitterly, claiming "it is basically catering to the West." They wish they could put the clock back. They dare not openly negate reform and opening

up because Deng Xiaoping is still alive. What they do is "confirm his policy in the abstract but negate it in concrete." According to Li Peng's original idea for drawing up the Eighth Five-Year Plan, the country was to be put back on a planned economy, under complete central government control. After learning this, Deng Xiaoping summoned Li Peng and told him to thoroughly implement the policy of reform and opening up, apart from warning him by saying: "Do not feign compliance."

Panic stricken, Li Peng redrafted the plan and stressed the importance of reform and opening up. As a matter of fact, Deng Xiaoping had already warned Li Peng and Yao Yilin during a talk with them on 31 May 1989.

Li Peng could not help revealing his resentment of Deng Xiaoping. While meeting Kenzaburo Hara, speaker of the Japanese House of Representatives, in Zhongnanhai on 30 November, Li Peng said bluntly: "The central leading collective with Jiang Zemin at the core is powerful, will remain stable for a long time, and is authoritative." A qualified person in Beijing press circles pointed out that this unquestionably announced to the whole world that Deng Xiaoping's leadership is unimportant. In comparison with Zhao Ziyang's remarks about Deng Xiaoping in Gorbachev's presence, this is negating Deng from another angle.

Xu Weicheng, follower of the "gang of four," complacently said in his secret group: "Deng Xiaoping cannot play a role anymore." An old RENMIN RIBAO reporter pointed out: "Deng Xiaoping will still have the supreme authority to decide China's politics as long as he is alive and can speak. Even Chen Yun has to give way to Deng Xiaoping, let alone Li Peng."

The crime of "splitting the party" Li Peng charged Zhao Ziyang with remains undecided, because of Deng Xiaoping's disapproval. Not long ago Chen Yun and Wang Zhen plotted for Deng Liqun's entry into the Political Bureau to take charge of ideological work and the combat against bourgeois liberalization. Wang Zhen went personally to Deng Xiaoping to report this but was declined an interview.

These examples suggest that if Deng Xiaoping dies now, China would have a darker situation to face.

Some other people are of the opinion that the earlier his death the better, because this will lead to an early change in the situation.

Deng Xiaoping's children did not deny that Deng has felt bad for the past year. They said he was upset for trusting Li Ximing's and Li Peng's reports during the 4 June incident, and expressed regret over the hasty decisions for Hu Yaobang and Zhao Ziyang to step down. Therefore, he is sometimes out of temper.

In the past, Deng Xiaoping had the habit of staying in the south during winter, but this year he has stayed in Beijing because he has difficulty getting around. This is also the reason for his hospitalization.

Police Say Dissident Case Still Being Probed

BK1512104490 Hong Kong AFP in English 1023 GMT 15 Dec 90

[Text] Beijing, Dec 15 (AFP)—Local police told a friend of detained Chinese dissident Wang Juntao on Saturday that his case was still under investigation, but they refused to discuss its progress.

Ge Xun, a Beijing native who studies physics in the United States, said he gleaned the information in a meeting with two officials at the enquiries office of the Beijing Municipal Public Security Bureau.

"They admitted that the case was in their place, (and) that the case was still under investigation," Mr. Ge said in an interview afterwards.

But the officials added that they were unable to inform Mr. Ge where Mr. Wang was being held, or where the investigation currently stood.

Mr. Wang, 32, a veteran political activist and editor of a now-banned economics weekly, was apprehended in late 1989 as he was trying to escape China via Hong Kong.

Reliable Chinese sources say he was among six prominent intellectuals and students who were charged in November with "counter-revolutionary" crimes for their roles in the Tiananmen Square democracy movement.

Mr. Ge, 31, who made friends with Mr. Wang in the early 1980s, returned to Beijing on Monday from his college in Texas in a bid to learn more about the case from secretive Chinese authorities.

Unlike on Thursday, when several Western reporters covered his visit to a Beijing courthouse, Mr. Ge was alone Saturday when he went to the public security bureau, or police station.

He said he was told by the officials that he could send letters to Mr. Wang via the bureau, which would read them first and then decide whether to pass them on to the detainee.

But they declared that Mr. Ge could not send food and clothes, telling him that there was no way of knowing whether the food might be poisoned.

Besides Mr. Wang, other prominent post-Tiananmen detainees include Beijing University student leader Wang Dan and literary critic Liu Xiaobo, who took part in a hunger strike just before the democracy movement was suppressed.

Tian Jiyun Attends Foreign Trade Reception

OW1512103490 Beijing XINHUA Domestic Service in Chinese 1215 GMT 14 Dec 90

[By reporter Zhang Yi (1728 3015)]

[Text] Beijing, 14 Dec (XINHUA)—Hundreds of Chinese and foreign guests gathered happily to celebrate the

40th anniversary of China's biggest foreign trade corporation, the China National Chemicals Import and Export Corporation. Over the past 40 years, this corporation has developed from a small to a big company, and its annual business volume increased from some \$100 million in the early post-liberation period to more than \$10 billion at present. The accumulated import and export amount has exceeded \$120 billion.

A reception held this evening to mark the occasion was attended by Tian Jiyun, Chen Muhua, Zhang Jingfu, Kang Shien, and responsible persons from pertinent ministries and commissions of the State Council. Also present were over 200 foreign guests, including U.S., British, Japanese, and Thai ambassadors to China and representatives of foreign business firms in China.

Established in 1950, the China National Chemicals Import and Export Corporation has been undertaking the task of importing and exporting oil, chemical fertilizers, rubber, pesticides, plastic mulching sheet, and industrial chemicals for our country, making positive contributions to developing the national economy. In 1988, as a major step to deepen reform of the foreign trade system, the State Council approved this corporation's request for doing contract work for internationalized operations on a trial basis. Since then, the corporation has advanced continuously in the direction of a socialist foreign trade enterprise characterized by modernized management, internationalized operations, and collectivized organization. This has enabled it to gear its operations to the world market and rank with the big companies in the world. In recent years, the annual business volume of the corporation has reached some \$10 billion. In addition to successful fulfillment of the tasks of import and export of oil, chemical fertilizers, rubber, pesticides, plastic mulching sheet, and industrial chemicals, it has adopted a flexible trade development method, including the development of entrepot and barter trade. Furthermore, its operations have gradually extended to the areas of production, processing, shipping, banking, and real estate. This has resulted in a quick rise in its volume of internationalized business other than imports and exports. The accumulated amount of such business for the past three years was \$12.2 billion, accounting for approximately 35 percent of the total business volume for the three years. It is expected that the corporation will successfully meet all contracted work targets as planned. At the same time, the corporation's test internationalized operations in the past three years has opened a new path for developing socialist transnational companies with Chinese characteristics.

Tian Attends Beijing Diplomatic Store Meeting

OW1612064990 Beijing XINHUA Domestic Service in Chinese 1406 GMT 14 Dec 90

[By reporters Chen Lian (7115 5114) and Chen Jincai (7115 6651 2088)]

[Text] Beijing, 14 Dec (XINHUA)—The foreign-currency tax-free store for diplomats—Beijing's first store serving foreign diplomats exclusively—celebrated its fifth anniversary. Mr. Maurice, Madagascar ambassador to China and head of the diplomatic corps in Beijing, speaking on behalf of some 110 foreign envoys in Beijing, praised the store's superior service as "exceptional" and said it makes all foreign diplomats "satisfied."

The tax-free store for foreign diplomats was set up in 1985 with the approval of the State Council, the Ministry of Foreign Affairs, and the General Administration of Customs. At its beginning, the store handled about 3,000 kinds of goods. After five years of development, it now sells some 6,500 kinds of goods of 13 major categories. In addition to over-the-counter sales, it now has expanded its service to include advance orders for purchases, free delivery service, and free alteration and trial use.

Nearly 400 people attended a celebration meeting of the store this evening. They included Vice Premier Tian Jiyun; Luo Gan, secretary general of the State Council; some 60 foreign diplomats and their wives; and representatives of the Yamao Company of Hong Kong and the Nanguang Group Company of Macao.

Tian Cited on Wage, Insurance Reforms

*OW1612015490 Beijing XINHUA Domestic Service
in Chinese 0810 GMT 15 Dec 90*

[By reporter Fu Gang (0265 0474)]

[Text] Beijing, 15 Dec (XINHUA)—Vice Premier Tian Jiyun this morning met at Zhongnanhai with all the representatives attending a national conference of chiefs of labor bureaus. During a discussion with them, Tian Jiyun said: The party Central Committee and the State Council have attached great importance to labor work in all stages of socialist construction. Currently, in drawing up measures for reform of the labor, wage, and social insurance systems, we should not only maintain the continuity of policies and stability but should deepen reform.

Tian Jiyun pointed out: Because China has a large population, with an insufficiently developed economy employment always will be a long-term and arduous task. Each year the state has to find jobs for many people, and this cannot be done by depending solely on state enterprises. It is necessary to expand employment by depending simultaneously on state-run, collective, and individually run enterprises and on the simultaneous development of primary, secondary, and tertiary industries under the prerequisite of adhering to public ownership as the dominant form of ownership. The system of labor contracts for newly employed workers and other reforms should be continued so long as their orientation is correct and so long as they meet the requirements of a planned socialist commodity economy and fit the transformation of an operational mechanism in enterprises.

Touching on the reform of the wage system, Tian Jiyun said: It is necessary to implement earnestly the principle

of distribution according to work. Simultaneous efforts should be made to overcome equalitarianism and eliminate excessive income disparities. At present, we should conduct experiments on the work post and skill wage system, study the reform of the wage system, and determine standards for wages according to four factors—work skills, work duties, types of strenuous work, and work environment.

On the reform of the social insurance system, Tian Jiyun said: The party Central Committee and the State Council have included reform of the social insurance system as an important item of the Eighth Five-Year Plan. In recent years, labor departments have done a great deal of work in promoting a social retirement fund and unemployment insurance. However, as a whole, reform of the social insurance system has just started, and the tasks are still urgent and arduous. At present, we should concentrate on reform of the pension insurance system and unemployment insurance system. In areas where conditions permit, raising social retirement funds should move from the city and county level to the provincial level. We should expand the scope of regulating pension insurance funds to do a better job in safeguarding the life of retired staff and workers.

Luo Gan, secretary general of the State Council, took part in the discussion.

Yuan Mu Discusses Communism, Policies

*AU1412164390 Duesseldorf HANDELSBLATT
in German 14-15 Dec 90 p 9*

[Peter Seidlitz report: "Strenuous Tug-of-War Between Government and Provinces for Draft of Five-Year Plan"]

[Text] Beijing—Minister Yuan Mu, spokesman of the Chinese Government, warned against a "premature judgment" on the end of communism in Eastern Europe and the Soviet Union. In an interview for HANDELSBLATT in the Great Hall of the People, the director of the Research Office in the State Council and the closest adviser of head of government Li Peng, admits that the socialist movement in Europe has suffered major setbacks.

"Giving one's opinion on whether the socialist and communist cause is completely down in Europe or whether communism will have a comeback is a different matter. I say as a Communist: It is too early to give one's opinion on this. As a party member and a Communist I am of the opinion that the worldwide trend is the replacement of capitalism by communism." The State Council spokesman stated that the situation in the Soviet Union differs from that in Eastern Europe. "In the Soviet Union the Communist Party is still the government party and the leadership stressed that it plans to pursue the socialist course," the Chinese politician stated.

The Eighth Five-Year Plan (1991-95), which was drawn up after months of hard struggle, is to be adopted

"without long discussions" at a Central Committee plenary session and is to be presented at the People's Congress in March 1991. "The only topic of this conference will be economic policy and the Eighth Five-Year Plan," the minister said. According to Yuan Mu, this time the drawing up of this plan was a "very complicated affair," which indicates serious differences of opinion between economists and politicians on the future economic course. The Chinese leadership regards the development in terms of five, 10, and 20 years and does not lose sight of the long-term plans because of daily policies, he said.

According to Yuan Mu, the most important economic policy objective for the next five to 10 years is growth which is controlled, coordinated, and curbed by the headquarters in Beijing and which is not to amount to an average of nine percent as from 1990 to 1990, but only to six percent. "Thus, our growth rate will still be higher than that of the world economy, which will probably amount to two to three percent."

In addition, the economic structure is further improved and more attention is paid to the equalization between China's individual economic branches and regions. "Investments were uncoordinated in the past. Every province advanced its own projects. In some areas there were local patriotism and customs barriers. We will not return to the old system and are not of the opinion that the headquarters are to control everything. We will coordinate things better."

The regional economic strategy gives priority to Shanghai and the development of the whole Yangtze river delta. The separate development of the coastal region and the interior of the country developed by former party chairman Zhao Ziyang will be maintained. "Densely populated Shanghai is to get more scope for action. The coastal areas are to continue to concentrate on the export industry and they can directly import their raw materials from abroad. The development is to spread from the coast to the interior of the country."

In contrast to many economic professors in Beijing's "think tanks," who are pressing for speedy price and enterprise reforms in separate talks, the leadership wants to proceed only step by step in the next five-year plan, to extend the reforms to a period of 10 or more years, and to give instead priority to the agricultural sector. Yuan Mu: "The first focal point is agriculture. The overwhelming majority of the 1.1 billion Chinese—about 800 million—work in the agricultural sector. The problem of food and clothing cannot be solved without stability in the rural areas. If there is chaos in the rural areas, China's modernization program will be seriously affected."

Yuan Mu said that the development of the infrastructure, including energy and raw material supplies and transportation, is another focal point of the new plan. The "reorganization and improvement" of the processing industry is only the third focal point of the new

five-year plan. Here investments will mainly be made in the technical renewal of the enterprises.

Yuan Mu did not deal with details of the much discussed reform projects—for example, the introduction of a social insurance system and rent and price reform. However, he intimated that in the first place there had been a tug-of-war between the central government and provinces in the discussions on the plan and for the regulation of revenues and expenditure between Beijing and the provinces. Beijing delegated powers and authority to the provinces, this will also not change in the future, he said. "Coordinated planning" does not rule out reforms.

"You have noticed that we are implementing other reforms than the Soviet Union," Yuan Mu said with a critical reference to Moscow's economic policy. China attaches utmost importance to "stability," but it "clearly votes" for the policy of opening in the new five-year plan. "The result of the past 10 years is unique in Chinese policy. Therefore, we have no reason to change our policy. The world of today is an open world and technological innovations require contacts. We cannot implement our reform behind closed doors."

However, the ordered and limited reform policy also is to be accompanied by increased "vigilance" in internal and external affairs. Referring to Deng Xiaoping, Yuan Mu commented on the "negative aspects" of the policy of opening: "We formerly said that flies and insects also get in when the windows are open. We also say: If people have hiccups, they do not want to go without eating. Although we realized the dangers of bad influences at that time, we underestimated the ideological infiltration in the political and social sectors. We will be more vigilant in the future."

In the talk, Yuan Mu also commented on several other current political topics. For the first time, he stated officially that preparations for lawsuits against persons who participated in the June riots in 1989 were initiated: "After 4 June we arrested some lawbreakers. After having been checked, most of the arrested people were released. Now it is the task of the Chinese judiciary to pass sentence on the small minority that committed serious crimes. These proceedings are starting now. They will be held in public and their result will be made known. I do not know what sentences will be passed on what people because this is the business of the Chinese judiciary."

However, at the same time the minister also admitted that the "lacking enthusiasm" of Chinese intellectuals occupies the leadership. "A small part of the population feels to be under pressure and is depressed," the spokesman stated openly. "However, after last year's events, many intellectuals realized that the course of socialism is right for China."

However, the Chinese leadership still seems to be concerned about rebellious intellectuals. According to Yuan Mu, it is looking for "flexible ways" to increasingly

emphasize "the population's motivation and initiative." The leadership and the party frequently consider how the political tasks can be developed in such a flexible way that the "attraction and vitality of socialism" be preserved, with the system being maintained.

For the first time, Yuan Mu also confirmed secret negotiations between North Korea and China, but he did not deal with critical comments on the dictatorial style of North Korean head of state and party Kim Il-song. "During the two or three secret visits we mainly discussed bilateral questions." However, separating aspects were also mentioned. "We developed a seasoned friendship with North Korea. It will continue."

In answer to the question of whether senior politician Deng Xiaoping still participates in the decisionmaking process in China, Yuan Mu gave the following answer: "He retired completely and no longer holds any party and government offices. Since the party leadership and the head of government think that Deng is a politician with great experience, his advice on important decisions is still heard. He no longer participates in the current work."

Li Ruihuan Promotes Mass Cultural Activities

OW1412163490 Beijing XINHUA in English
1549 GMT 14 Dec 90

[Text] Beijing, December 14 (XINHUA)—Senior party leader Li Ruihuan today called for more effort to promote vigorous growth of mass cultural activities, and for building a socialist society with an advanced culture and ideology.

Li, a member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), made this appeal at the closing ceremony of a national conference attended by model workers from cultural centers across China.

Li praised the important role that cultural centers have played in publicizing party principles and policies, in spreading basic cultural knowledge and in enriching the cultural life of ordinary Chinese.

The senior party leader encouraged all cultural centers make full use of allowances from the state and endeavor to operate more efficiently with limited funds.

Li also urged governments at various levels to solve any concrete problems faced by the cultural centers.

Li Tieying, member of the Political Bureau of CPC Central Committee and a state councillor, also delivered a speech at the ceremony.

Li Tieying at Cadres Marxist Theory Study Class

OW1512012290 Beijing Television Service
in Mandarin 1100 GMT 13 Dec 90

[From the "National News Hookup" program]

[Text] Li Tieying, minister in charge of the State Education Commission, visited the Central Education Administration College yesterday and took part in a discussion with leading cadres of schools of higher learning, who were attending a Marxism study class there. He said: College administrators should adhere to the Marxist direction in giving guidance. They must continuously enhance their Marxist theoretical level and political awareness to cope with the needs of training successors to the cause of socialism in the new era.

Presidents and party secretaries of more than 50 key universities and colleges across the country were attending the study class. [Video shows Li Tieying speaking to about 100 people seated in a conference room]

Peasant Gets Death Sentence for Abducting Girl

HK1512075390 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1345 GMT 14 Dec 90

[Text] Beijing, 14 Dec (ZHONGGUO TONGXUN SHE)—Yesterday, the Beijing Municipal Intermediate Court sentenced a criminal named Wei Zhongxiang to death for abducting a woman, who eventually had no alternative but to commit suicide. He was also deprived of his political rights. Huang Guojie, one of his collaborators, was sentenced to life imprisonment; others involved were also given prison terms.

In August 1989, Guangxi peasants Wei Zhongxiang and Huang Guojie abducted a 23-year-old Nanning City girl to Zhuozhou City, Hebei Province, under the pretext of providing a job for her. After their arrival in the city they forced the girl, named Zhong, to marry someone there because they said no job was available and they had no money to send her home. They lied to her, saying they would help her go home after the money was paid to them. In collaboration with two Zhuozhou peasants, named Cong Baomin and Liu Qiang, and another peasant named Yang Wanshan (already convicted) from Beijing's Fangshan District, Wei and Huang sold the girl to a peasant dolt in the Fangshan District for 3,500 yuan. Zhong was so sad that she did not want to live. Moreover, she was violated from time to time. Therefore, she committed suicide by taking poison on 17 November.

From June to October 1988, Wei Zhongxiang collaborated with others in abducting two Guangxi girls to Zhuozhou City by the same means. They sold the girls to two peasants in the city for marriage, one for 3,300 yuan and the other for 3,000 yuan. Then they spent the money extravagantly.

Leaders Express Condolences as Li Yimang Cremated

OW1512085790 Beijing XINHUA in English
0816 GMT 15 Dec 90

[Text] Beijing, December 15 (XINHUA)—The remains of Li Yimang, a Standing Committee member of the Central

Advisory Commission of the Communist Party of China, was cremated at Babaoshan Cemetery here today.

Li Yimang died of illness on December 4 at the age of 87. At Li's request, no memorial service was held and his funeral was a very simple affair.

Li participated in the Chinese revolution in 1925, and has been engaged in foreign affairs since the founding of the People's Republic in 1949.

Jiang Zemin, Deng Xiaoping, Yang Shangkun, Li Peng and many other Chinese leaders expressed condolences to the family of the deceased.

Supreme Court President Stresses Legal Work

HK1312041090 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 10 Dec 90

[Text] From 5 to 10 December, Ren Jianxin, deputy secretary of the Central Commission of Political Science and Law and president of the Supreme People's Court, made investigations and studies in Wuhan and (Xian-ning) in this province.

Guan Guangfu, secretary of the provincial party committee; Governor Guo Shuyan; Qian Yunlu, deputy secretary of the provincial party committee; and other provincial leading comrades met with President Ren Jianxin.

Comrade Ren Jianxin made five demands on political and legal work.

1. Steadfastly uphold the four cardinal principles, the party's basic lines, and reform and opening.
2. In dealing with crimes it is necessary to combine cracking down with prevention, to take both radical and stopgap measures, and bring public security under effective control by cracking down particular criminals.
3. It is necessary to make use of legal means to serve economic construction.
4. It is necessary to strengthen political and legal work, the building of grass-roots units, and comprehensive control of public security so that the political and legal work will better contribute to public security and economic construction.
5. The people's court should improve its performance and administer justice in an all-around way.

While in Hubei, Comrade Ren Jianxin visited the people's courts in many places to make investigations and studies and heard opinions raised by police officers. He encouraged them to deal with as many cases as possible and handle them properly to help the people remove their worries and solve their problems. They should especially help the people overcome their difficulty in bringing a lawsuit, to make contributions to maintaining stability and unity, and economic development.

Shandong-Qinghai Development Project Reported

SK1112073690 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 7 Dec 90

[Text] On 7 December, (Wang Maosheng), a correspondent for our station, paid a visit to Comrade Yin Kesheng, secretary of the Qinghai provincial party committee, who is on his fact-finding tour in Shandong Province, and held an interview with him.

During the interview, Yin Kesheng stated that both Qinghai and Shandong provinces are depending on the water source of the Huang He and must work hand in hand in building the four modernizations. When answering the question about the initial expression of his first visit to Shandong, he stated that after entering the province and looking at both urban and rural areas along the roads, his deepest impression is that the people's mental attitude is very good and all people are doing well. He also stated that currently in the freezing weather, the people of Shandong are still busy with production development, thus, he saw a scene of prosperity wherever he went.

During the interview, Comrade Yin Kesheng stated that after hearing the briefing given by the leading comrades of Shandong Province, he felt that Shandong had scored tremendous achievements in conducting reforms, opening to the outside world, and carrying out economic construction over the past few years. He also stated that he was so heartily happy about such good achievements scored by Shandong over the past years and that through the fact-finding tours, he will bring home the good experiences gained from Shandong Province and have the experience yield positive results in Qinghai Province.

At the request of our correspondent during the interview, Comrade Yin Kesheng described the geographical conditions of Qinghai Province and its political and economic situation prevailing over the past few years. He stated that Qinghai Province is a part of Qing-Zang plateau and its population is of multiple nationalities. Its minority population accounts for 42 percent of the total. Qinghai is endowed with wide land and has 500 million mu of available pastures. It is one of the five large pastoral areas in the country. Over the past few years, Qinghai Province has shown a double increase in the production of agriculture and animal husbandry thanks to conducting reform in both agriculture and animal husbandry. Its mineral sources are also very abundant and its deposits of sodium, salt, sylvite, petroleum, natural gas, and of nonferrous metal, rank Qinghai Province in the forefront of the country. However, these natural resources have not been well exploited and utilized because of the province's current poor conditions. Hereafter, Qinghai will successfully do the basic work of natural resource development. If these resources are exploited, Qinghai Province will make greater contributions to the country and provide more raw materials for Shandong Province.

Shandong and Qinghai are covered by the State Council project of mutual support and the relationship between

them has persistently been closer. In mentioning the achievements scored by the two provinces over the past years in economic and technical cooperation and exchanges, Yin Kesheng stated that since the establishment of mutual-support relationship between Qinghai and Shandong, the friendly contacts between the two provinces have increased day by day. The six cities and counties of Shandong, including Jinan, Qingdao, Weifang, and Laizhou, have successively established the friendly ties with the cities, autonomous prefectures, and counties of Qinghai, including Xining, Haibei, and Golmud. The cooperative projects designed by the two provinces have, to date, reached nearly 100. Meanwhile, Shandong Province has provided great support in personnel affairs and technologies for Qinghai and trained a large number of technical personnel for it. It has also dispatched specialists to Qinghai Province to render the services of information. Hereby, on behalf of the Qinghai provincial party committee and provincial people's government, he extended heartfelt thanks for the support and assistance given by the people of Shandong. He was also convinced that through steady support and assistance and continuous contacts, the relationship between the two provinces will achieve better development.

In answering the question about the Qinghai's new plan for participating in the joint project of developing areas along the Huang He, Yin Kesheng humorously stated that both Qinghai and Shandong provinces drink the Huang He water though Qinghai is at the upper end of the river and Shandong is at the lower end and, therefore, both of the two provinces should mutually make efforts to build the four modernizations. Although Qinghai and Shandong are far apart, the Huang He which is playing a linking role has closely matched the two provinces together. Thus, our two provinces should make full use of the river in the joint project of developing areas along the Huang He and vigorously tame the river to benefit the millions upon millions of people of the six provinces and autonomous regions along the river. Over the past few years, provinces and autonomous regions along the river have sponsored several economic and technical cooperation meetings to discuss the issue of how to bring into play the strong points of the Huang He and how to concentrate on developing areas along the river. Qinghai which is at the upper end of the river should all the more do a good job in realizing the joint project because it will not only benefit Qinghai Province but also the economic development of areas along the river. Therefore, we should unite as one, make concerted efforts, engage in the joint project to develop areas along the river, and should make still greater contributions to making China prosperous.

Measure To Check Corruption Implemented
HK1212024490 Beijing CHINA DAILY in English
12 Dec 90 p 1

[By staff reporter Liang Jun]

[Text] The State Council will issue a supervisory rule this weekend to oversee government organs and their employees to exercise administrative power according to law.

The publication of the Administrative Supervision Rule will be considered a major step towards the promotion of the nationwide anti-corruption campaign.

Peng Jilong, Director of the Policy and Law Department with the Ministry of Supervision, said in an interview with China Daily that the rule, deemed "the basic law" for China's supervision bodies, is designed to help China's supervisory departments to exercise their power over China's 30 million civil servants in the light of law.

"The rule will also help to create working conditions for supervisory personnel," Peng said.

According to the official, the rule will specify what punishments can be given to government workers who do not co-operate with or disturb normal investigations of supervisors.

He said that the launching of the rule was in response to increasing difficulties supervisory workers had encountered during their work.

For instance, legal procedures which are badly needed during supervision operations have not been written down.

Since the resumption of the Ministry of Supervision in July 1987 after 27 years' suspension, the Ministry has been working vigorously to promulgate this rule.

Peng said that in order to implement the rule properly, drafting detailed regulations would top the agenda of the Ministry work next year.

The rule will help Chinese people to have more understandings of the country's supervisory bodies.

This, he pointed out, would allow the masses to have easy access to report any malpractice by government organs or their employees.

Ministry figures indicated that last month more than 2,000 cases of corruption had been reported, an increase of 5 per cent over October.

The official said that the fact that an increasing number of cases had been reported by the people showed their growing confidence in the government's determination to clean up itself.

Courts Asked To Stress Civil Trials

OW1212182290 Beijing XINHUA in English
1532 GMT 12 Dec 90

[Text] Wuhan, December 12 (XINHUA)—Chinese courts at various levels have been asked to attach greater importance to civil trials.

Ma Yuan, vice-president of the Supreme People's Court, said at a national meeting here today that the importance and function of the trials of civil cases will become increasingly well-known as citizens and corporations resort to the courts to protect their legal rights.

Ma asked courts at all levels to improve procedures and explore more effective systems for civil trials.

Statistics show that Chinese courts at all levels tried over 1.34 million civil cases from last January through September.

International Container Shipment Regulations

*OW1412113190 Beijing XINHUA Domestic Service
in Chinese 1130 GMT 12 Dec 90*

[Regulations of the People's Republic of China on Management of Maritime International Container Shipment]

[Text] Beijing, 12 Dec (XINHUA)—**Chapter I. General Principles**

Article 1. These regulations are formulated for the purpose of strengthening the management of maritime international container shipments, defining the responsibilities of the departments concerned, and meeting the requirements of the state administration of foreign trade.

Article 2. These regulations apply to maritime international container shipping enterprises established within the People's Republic of China and units and individuals related to maritime international container shipment.

Article 3. The Ministry of Communications of the People's Republic of China is in charge of the maritime international container shipping business nationwide.

Article 4. In doing maritime international container shipping business, it is necessary to carry out the principle of safety, accuracy, quick service, economy, and civility and make positive efforts to develop door-to-door transportation service.

Chapter II. Examination and Approval of Applications for Establishment of Maritime International Container Shipping Enterprises

Article 5. Maritime international container shipping enterprises include shipping enterprises engaged in maritime international container shipping business, enterprises engaged in loading and unloading operations at seaports, and inland transit depots and freight stations consigned to handle containers in connection with maritime international shipment.

Article 6. Establishment of shipping enterprises engaged in maritime international container shipping business shall be examined and approved by the pertinent provincial, regional, or municipal authorities in charge of transportation and then reported to the Ministry of Communications for final examination and approval.

Article 7. Establishment of enterprises engaged in maritime international container loading and unloading operations at seaports shall be examined and approved by the pertinent provincial, regional, or municipal authorities in charge of transportation and reported to the Ministry of Communications for the record.

After the promulgation of these regulations, establishment of inland transit depots and freight stations handling containers in connection with maritime international shipment shall first have the concurrence of the competent departments under which the enterprises are to be established, and then be examined and approved by the pertinent provincial, regional, and municipal authorities in charge of transportation and reported to the Ministry of Communications for the record.

With regard to the examination and approval of new inland transit depots and freight stations to be established by foreign economic relations and trade units for handling containers in connection with maritime international shipment, separate provisions shall be enacted by the Ministry of Communications together with the Ministry of Foreign Economic Relations and Trade.

Article 8. Establishment of maritime international container shipping enterprises with Chinese-foreign joint investment or based on Chinese-foreign cooperative operations shall be examined and concurred with by the Ministry of Communications and approved by the Ministry of Foreign Economic Relations and Trade in accordance with the relevant laws and regulations.

Article 9. Enterprises engaged in maritime international container shipping business shall meet the following qualifications:

- 1) They shall have ships, vehicles, equipment, and other related facilities as required by their operations and customers;
- 2) They shall have the necessary organizational structure, offices, and professional personnel;
- 3) They shall have a registered capital and self-provided working funds sufficient to meet the needs of their container shipping business; and
- 4) They shall meet other qualifications for establishment of enterprises as stipulated by the relevant state laws and regulations.

Article 10. Authorities in charge of transportation shall examine and approve the scope of operations of enterprises applying for approval to do maritime international container shipping business on the basis of their sources of funds, state of equipment, management proficiency, and business opportunities.

Article 11. Authorities in charge of transportation shall issue a document of approval to those enterprises that have been approved to do maritime international container shipping business. After receiving the approving documents, the enterprises shall register with the industrial and

commercial administrative departments concerned by presenting such documents, and only after business licenses are obtained can they commence their business.

In addition, inland transit depots and freight station handling containers in connection with maritime international shipment shall register with the customs.

Chapter III. Management of Shipments

Article 12. Containers used for maritime international container shipments shall meet technical standards set by the international container standards organization and requirements stipulated in related international container shipment pacts.

Container owners and those doing container business shall practice good management and maintenance work on containers. They shall check their containers periodically so as to ensure that containers suitable for cargo shipment can be provided.

In cases of violation of the second paragraph of this article, resulting in damage or shortage of cargo, the person responsible shall undertake the liability for compensation according to the regulations concerned.

Article 13. Carriers and enterprises loading and unloading cargo at seaports shall guarantee that container-carrying ships, vehicles, and loading and unloading equipment and tools are in good technical condition so as to ensure the operations and safety of container shipments.

Carriers or enterprises loading or unloading cargo at seaports that have violated the first paragraph of this article causing damage or shortage of cargo shall be liable for compensation according to regulations concerned.

Article 14. Carriers and enterprises loading and unloading cargo at seaports shall use container shipping documents for their operations.

Article 15. Carriers may directly receive consignment for container shipments. Shippers may consign container shipments of their imported or exported goods to carriers either directly or through shipping agents.

Article 16. Shippers shall honestly declare the names, nature, quantities, weights and specifications of the goods consigned. The goods consigned for container shipment shall meet the requirements for container shipment, and the marks should be conspicuous and clear.

Article 17. Shippers or carriers shall seriously examine the containers before packing. No containers that may affect the transport of the goods or safety in loading and unloading shall be used.

Article 18. Containers for shipping grain, cooking oil, foods, frozen items, and other perishable stuffs shall be checked and proved to be qualified by the commodity inspection organization before they are put to use.

Article 19. After the container shipment has arrived at the destination, the carrier shall promptly notify the consignee. After receiving the notification, the consignee shall take delivery of the goods by presenting the bill of lading.

Consignees failing to take delivery of the goods or return the containers within the time allowed shall be required to pay the storage charges for the goods and containers, plus a fee for prolonged use of containers in accordance with the regulations concerned or the terms agreed upon in the contract.

Article 20. Freight charges and other fees for maritime international container shipment shall be calculated in accordance with the relevant transportation charges and rates of fees established by the state or calculated at the rates agreed upon by the two sides in the absence of applicable state standards. No unit whatsoever is allowed to collect fees randomly.

Article 21. Carriers and enterprises engaged in loading and unloading at seaports shall submit periodic statistical reports on their operations to the authorities in charge of transportation.

Article 22. Departments related to maritime international container shipment shall provide each other with information on container shipment in a timely manner.

Chapter IV. Delivery, Pick Up, and Responsibility

Article 23. Carriers, and shippers or consignees, should deliver and pick up the containers, or container cargo, at dockyards, shipping stations, or other sites agreed upon by both sides in accordance with the form of delivery or pickup prescribed in the bill of lading.

Article 24. Carriers and port handling enterprises participating in maritime international container shipments shall deliver and pick up containers according to the following regulations:

- 1) Maritime carriers shall make delivery or pickup through tally organs and port handling enterprises;
- 2) For containers delivered by water routes, delivery and pickup shall be conducted alongside by port handling enterprises and waterborne carriers;
- 3) For containers delivered by highways, the delivery and pickup shall be conducted at container piers by port handling enterprises and highway carriers; and
- 4) For containers delivered by railways, the delivery and pickup shall be conducted at loading sites by port handling enterprises and highway or railway carriers.

Article 25. When containers are delivered and picked up, the parties that deliver and pick up shall examine the containers' numbers, bodies, and seals. Loaded containers are delivered and picked up according to the seals and the state of the container bodies; empty containers are delivered and picked up according to the condition of their bodies.

After examining the containers' numbers, bodies, and seals, the delivery and pickup parties shall record the information and cosign to acknowledge the information.

Article 26. The responsibilities of carriers and port handling enterprises for damage or shortage of containers, or container cargo, rest with the delivering parties before the delivery; but with the pickup parties after the delivery. If, within 180 days after the delivery, the pickup parties can provide evidence to prove that damage of containers, or damage or shortage of container cargo, are caused by the delivery parties, the delivery parties shall bear the responsibility of making reparations, except obligations prescribed by separate law.

Article 27. Except obligations prescribed by separate law, carriers and shippers shall be responsible for the damage of shortage of container cargo in accordance with the following regulations:

1) For cargo packed by carriers, responsibility for damage or shortage of cargo in the containers shall be borne by the carriers from the time they receive the cargo to the time they deliver it to the consignees.

(2) For cargo packed by shippers, the shippers shall be responsible for cargo damage or shortage during the period after the cargo has been packed until it is delivered to the consignees, if the container bodies and seals are undamaged; the responsibility for cargo damage or shortages shall be borne by carriers if container bodies or seals have been damaged.

With the exception of those prescribed by separate law, the valid periods for carriers, shippers, or consignees to request reparations shall not exceed 180 days, beginning with the day when the container goods are delivered.

Article 28. Shippers shall be responsible for human casualties and damage of transportation means, cargo and other goods, and containers caused by misinformation about container cargo declared by the shippers.

Article 29. Packers shall be responsible for human casualties, damage of transportation means, other cargo, and containers caused by their mistakes.

Article 30. When commodity inspection departments are required to provide proof when claiming compensation from foreign parties for damage or shortage of container goods, the claim shall be handled in accordance with the "PRC Law Governing Inspection of Import and Export Goods."

When tally organs are required to provide proofs for claiming compensation from foreign parties for shortage of containers or container goods, the claim shall be handled according to relevant regulations.

Chapter V. Penalties

Article 31. Unlicensed parties engaged in container shipping business shall be ordered to stop their business by

communications authorities, and punished by industrial and commercial administrative departments.

Article 32. Those who collect transportation fees in violation of these regulations and the relevant state laws and regulations on commodity prices will be punished by the price management departments.

Article 33. Those who violate the regulations on transport license management will be given a warning or fined by the department in charge of communications in light of the seriousness of their cases.

Article 34. For those who disturb communications order or expand their operation scope without authorization, communications authorities shall order them to shape up and industrial and commercial departments shall penalize them.

Article 35. If the parties concerned disagree with the penalty, they may, within 15 days after being notified of the penalty, request a reexamination by the organ one grade higher than the penalty-imposing organ, and this higher organ shall make a decision within 15 days after receiving the reexamination request. If the parties concerned still disagree with the reexamination, they may, within 15 days after being notified of the reexamination decision, bring the case to the people's court. If they do not request a reexamination, nor bring the case to the court, nor obey the penalty and the reexamination decision in due course of time, the organ which metes out the punishment may request the people's court to enforce the punishment.

Chapter VI. Supplementary Articles

Article 36. The Ministry of Communications is responsible for interpreting these regulations.

The Ministry of Communications may draw up detailed implementation rules on the basis of these regulations.

Article 37. These regulations become effective upon promulgation.

Science & Technology

Second Nuclear Plant Still Under Consideration

HK1212022190 Hong Kong SOUTH CHINA
MORNING POST in English 12 Dec 90 p 7

[By Chris Yeung in Guangzhou]

[Text] The building of a second nuclear plant in Daya Bay was still at the preliminary stage of fact-finding and feasibility studies, Guangdong's Governor, Mr Ye Xuanping, stressed yesterday.

Asked if the province would take into account local anxieties when deciding on the site, Mr Ye said: "I think it can be explained clearly. We won't make people scared.

"There has to be a process. Like the building of the first plant in Daya Bay, there are both opponents and proponents to the scheme. The problem has to be solved through a process," he said.

Another senior Chinese official, Mr Lu Ping, said China remained undecided about whether to build a second nuclear power plant in Guangdong.

Mr Lu, director of the State Council's Hong Kong and Macao Affairs Office, denounced as irresponsible earlier remarks made by an Electricite de France official that his company had been asked to conduct a feasibility study of building another nuclear plant in Daya Bay.

"We have not decided whether to build another plant. It is out of the question to say it will be built in Daya Bay. This is a matter for the Guangdong Government. I am not involved," he said.

Guangdong is exploring the feasibility of building a second nuclear plant in the province to boost electricity supplies to cope with rapid economic growth.

An official at the province's Design Institute for Infrastructure said yesterday they had a short-list of three sites—Daya Bay, Yangjiang and Taishan.

'Tighter Controls' Urged for Nuclear Workforce

HK1512025390 Hong Kong SOUTH CHINA
MORNING POST in English 15 Dec 90 p 7

[By Jacqueline Lee]

[Text] Tighter surveillance is needed at the Daya Bay nuclear power plant building site to ensure proper construction procedures are followed, international nuclear safety experts have found after a three-week visit.

The International Atomic Energy Agency (IAEA) team also urged the speeding up of recruitment to allow operational staff enough time for proper training.

They warned that the mid-1992 commissioning of the plant could be delayed unless detailed schedules were drawn up for various aspects of the project to ensure work was progressing at the right pace.

At the end of the visit yesterday, team leader Mr Ashley Erwin said there had been cases of work being completed before staff had been given set procedures to follow.

And in some cases, steps in the procedures were simply skipped, he said.

Workers were also found to be ignoring site safety measures, such as wearing safety glasses and helmets.

The general manager of the Guangdong Nuclear Power Joint Venture Company, Mr Zhan Yunlong, acknowledged the need for more aggressive recruitment efforts.

The increase in the number of operational personnel had been great, so it was right for the team to recommend more recruitment efforts, he said.

"It's difficult to recruit so many staff within so short a time and we have put in a lot of effort to ensure they will arrive in a timely manner.

"Of course, the recruitment of personnel in China is different from that in Hong Kong. Here, apart from efforts made by the company, we also need the support of Chinese Government organs," he said. The company has recruited about 400 of the 805 staff members needed with about half of the remaining vacancies being for maintenance and technical personnel.

Mr Zhan said most of the 200 maintenance and technical staff had to be recruited next year.

A total of 115 recruits had finished overseas training in Britain, France and the United States, he said.

The experts' review of the Daya Bay station project was initiated by the Chinese Government and the mission comprised experts from Britain, the US, Germany, Japan, Italy, Canada, Czechoslovakia and IAEA staff members. Three observers from Pakistan, Poland and Romania also participated.

A detailed report on the review on 11 major areas of the project will be submitted to the Chinese Government early next year.

The experts concluded yesterday that "generally, the work observed on-site was satisfactorily carried out and documented".

He said they would make recommendations on:

Reinforcing compliance with work procedures and quality assurance programmes by some contractors;

Expediting the recruitment of qualified technicians and craftsmen;

Establishing detailed schedules for the preparation of operations, integrating the start-up schedule, development of work programmes and preparation of procedures;

Completing the initial training of all groups of personnel at the plant in a systematic manner, including classroom, on-the-job and continuing training programmes and provision of adequate training resources to complete the large work load;

Developing health physics programmes and procedures;

Completion of the site emergency plan and its implementing procedures;

Establishment of the off-site emergency response capability;

Enhancing protection of installed equipment and cables; and

Work safety for staff.

Members of the Sino-Hong Kong Nuclear Safety Consultative Committee, which monitors the Daya Bay project, were briefed by the experts. Its chairman, Mr Wong Po-yan, said members would discuss the report when it was ready next year.

On reports that another two reactors might be built in Daya Bay, Mr Wong said the committee had asked the Guangdong nuclear power company to hold any such plans until after the twin-reactor plant came on stream and potential problems in its operation were known.

Science News on Wave Darkroom, Test Tube Trees

OW1712131890 Beijing XINHUA in English
1258 GMT 17 Dec 90

[Text] Beijing, December 17 (XINHUA)—Today's science news in brief:

Electric Wave Dark Room Built

Scientists from northwest China's Xi'an City have developed a dark room which can detect the electric waves emitted by different moving objects. The enclosed room with limited space can simulate open air conditions with limitless space and produce accurate and reliable test results by absorbing the majority of the electric magnetic energy that would normally reflect off the walls.

It is an important testing means in modern science and national defence.

Mud-Rock Flow Monitor System

Debris flow control experts have set up a monitoring system along the stretch of railway, between Chengdu in Sichuan Province and Kunming in Yunnan Province, which frequently experiences landslide disasters. Through analyses of the microstructure and the solid-fluid content of the accumulative rocks, they have established a data bank and an effective warning system.

Test Tube Tree Seeds

Agro-technicians in Guangxi Zhuang Autonomous Region have used test tubes to breed eucalyptus tree seeds. (Eucalyptus trees are widely used in the paper making industry.) On the 25th day, the seed is transplanted from the test tube to the seed breeding bed, where the roots emerge soon after. The new technique is easier and faster than the traditional tissue culture method.

XINHUA Highlights Science News Briefs

OW1712075590 Beijing XINHUA in English
0710 GMT 17 Dec 90

[Text] Beijing, December 17 (XINHUA)—Today's science news briefs:

Cancer Survey

Professor Zheng Shu, director of the Zhejiang Medical University, has developed a new and effective technology for surveying the early-stages of carcinoma in the large intestine.

Use of the technology—an immunization method for stool occult blood tests and computer pattern recognition—in a general survey of over 70,000 people in Zhejiang Province, east China, resulted in the discovery of early-stage carcinoma of the large intestines in 15 patients.

Prevention of Cancer

Professor Yang Xuezhi of the Jiangxi Medical College and his assistants have made important achievements in their studies of methods to stop the development of pre-cancer carcinoma of the uterine cervix. Based on their study, incidence of the disease will be greatly reduced.

Cotton Breeding

The Institute of Cotton under the Chinese Academy of Agricultural Sciences, and the Institute of Genetics under the Chinese Academy of Sciences, have developed a system engineering method and have succeeded in applying the method in breeding fine strains of cotton. Experts consider the method as a major innovation in cotton breeding.

Voice System for Computer Input Developed

OW1512193590 Beijing XINHUA in English
1549 GMT 15 Dec 90

[Text] Beijing, December 15 (XINHUA)—A new voice activated system has been designed for inputting Chinese characters into computers.

Professor Xu Jinpei and his colleagues from the Harbin Polytechnical University in northeast China designed the new system which can store over 40,000 Chinese words and phrases composed of less than five characters.

Experts who have tested the system told reporters today that anyone can use the system without any special knowledge of word processing or of categorizing methods for the formation of the complex Chinese characters. The experts say that a person can operate the system after less than one-half hours training.

The system requires that a user read 397 characters into the computer in order for the machine to memorize the person's voice characteristics. The designers believe that these particular characters represent almost all the sounds in the Chinese language.

If a single character is read into the computer there is an 88.41 percent possibility that the right word will appear as the first choice on the screen. For two character words the accuracy rate is 95 percent when using one key

stroke, while for three to five character words the accuracy rate is 100 percent when using one key stroke.

The system can be operated in a normal office environment that has background noise of up to 70 decibels.

Economic & Agricultural

Finance Minister Urges Boosting Income

*OW1512043190 Beijing XINHUA Domestic Service
in Chinese 0929 GMT 14 Dec 90*

[By reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 14 Dec (XINHUA)—Wang Bingqian, state councillor and minister of finance, said today that the fundamental way to solve the current financial difficulty is to increase revenue and retrench expenditure.

Addressing a national financial work conference, which ended today, Wang Bingqian said that in view of the trend of economic development and financial capability of our country, the financial work next year must keep to the principle of putting equal importance on opening new revenue sources and reducing expenditure. He pointed out that if we do not open new revenue sources to increase income, it will be impossible to alleviate or solve our financial difficulty. On the other hand, he added, if we do not control expenditure and make plans to practice economy, we will be unable to ensure the ability to meet the necessary disbursements for our country's key projects.

Wang Bingqian stressed: The first and foremost task for next year is to develop production, raise economic efficiency, open new revenue sources, and pay great attention to financial work. In the meantime, some measures should be taken to raise the proportion of revenue in the total national income and the central government's portion of this nationwide revenue. Wang Bingqian continued: In adjusting the fund appropriations for next year, the state will take into consideration the actual difficulties as well as the favorable conditions presently faced by enterprises and local governments. Under the premise of keeping the present system unchanged, no major adjustment will be made where revenue sources have already been ensured. As for exploiting new revenue sources, the state will try to do more as appropriate.

As Wang Bingqian pointed out, there will be a rather big gap between the supply and demand of funds next year. For this reason, we must tighten the control of expenditure and resolutely oppose and correct such practices as spending money extravagantly and making disbursements regardless of their effects. He said that the practice of wasting money and indulging in extravagance and ostentatious display is still a rather serious problem, adding that such practices exist not only in various localities but in some central departments as well. He

expressed the hope that the central departments would play an exemplary role in practicing austerity.

Meanwhile, Wang Bingqian stressed: Next year the task of taxation will be relatively heavy, but there will be a great potential for increasing tax revenue. In view of this, he called on financial and taxation departments at all levels to take diverse measures to further strengthen tax collection, act in strict accordance with the tax laws and regulations, and work within the scope of their administrative authority. They should continue to screen the cases of tax reduction and exemption, eliminate all kinds of tax evasion, and collect all tax payments and profits that should be turned over to the State Treasury. As for the state budget regulatory funds and the construction funds for major energy and transportation projects, Wang Bingqian said, no locality or department has the authority to reduce or eliminate them without the approval of the State Council or the Ministry of Finance.

Tian Jiyun Urges Further Employment, Wage Reform

*OW1612072190 Beijing XINHUA in English
0641 GMT 16 Dec 90*

[Text] Beijing, December 16 (XINHUA)—Chinese Vice-Premier Tian Jiyun has urged the state-owned, collective and individual enterprises to work together to expand employment channels.

The vice-premier made the call at a meeting Saturday.

He said that it is essential to implement the principle of distribution according to work and eliminate equalitarianism in reforming the wages system.

The future wages system and categories would take into account the four factors: labor skills, work responsibility, workload and labor environment.

He revealed that the government has put the reform of the social insurance system high on the agenda in the Eighth Five-Year Plan (1991-95).

At present, he said, priority should be given to the reform of the pension system and the unemployment insurance system.

Exchange Official Says Debt Repayment Smooth

*OW1612123090 Beijing BEIJING REVIEW in English
No 50, 10-16 Dec 90 p 29*

[By reporter Li Ming]

[Text] A reporter from BEIJING REVIEW has learnt from the State Administration of Exchange Control that the repayment of China's overall foreign debt is progressing smoothly. Although the amount of overdue foreign debt remains at nearly US\$150 million, new repayment agreements for many loans have been clinched with creditors.

A leading official at the State Administration of Exchange Control stated that although difficulties have

cropped up in individual items, these difficulties will not affect the overall repayment of loans. The scope of China's foreign debt has always been within its ability to repay.

By the end of June, China's foreign debt stood at US\$45.4 billion, an increase of US\$4.1 billion, or 10 percent, compared to US\$41.3 billion at the end of 1989. Compared with the average growth of 36 percent between 1985 and 1988, the nation's debt growth has slowed down considerably. According to available statistics, China repaid foreign loans of about US\$17 billion in 1989, most of which were short-term loans used in the year, as well as previous medium- and long-term official preferential and non-preferential loans for commercial purposes.

The official also said that China's rate of loan repayment is reasonable. The rate of debt payment was less than 10 percent in 1989, well below the international level indicating foreign debt trouble.

Foreign media reports have stated that some of China's enterprises find it difficult to pay their debts on time. The State Administration Exchange control agreed that this was a problem, with the figure of overdue foreign debt and around US\$150 million by the end of 1989. However, compared to the overall foreign debt, the proportion of the present overdue foreign debt is very small and will not affect the situation as a whole.

It is reported that in order to settle the problem of payment of foreign debts, some places have set up payment of debt funds. The State Administration of Exchange Control has already suggested popularizing such funds in relevant districts.

Song Jian, Others Present Awards to Designers

OW1412114790 Beijing XINHUA Domestic Service in Chinese 1030 GMT 13 Dec 90

[Text] Beijing, 13 Dec (XINHUA)—At a national conference on design and surveying work that opened today, 120 outstanding designers and surveyors elected by various professions and industries across the country were awarded certificates bearing the honorary titles of Chinese Design Master and Chinese Surveying Master.

It was the first time in the history of the new China that outstanding designers and surveyors were selected. Yu Qiuli, Zhang Jingfu, Kang Shien, and Song Jian presented the certificates to the elected masters, thanking them for making outstanding contributions to China's capital construction, key projects, and urban and rural development.

A number of units previously awarded gold medals for outstanding engineering survey and design work were also presented with awards today.

Since China adopted the policy of reform and opening, surveying and design work has begun to play a pivotal role in the country's construction projects, and

numerous outstanding designers and construction projects meeting current international standards have emerged and been completed. Among the 100 designers and 20 surveyors who received awards, some were responsible for the overall design of the first- and second-phase projects at the Baoshan Steel Complex; some were responsible for the design of bridges across the Chang Jiang in Wuhan and Nanjing; some were responsible for the design of irrigation and hydroelectric projects in Gezhouba and Danjiangkou; some were responsible for the design of the hall of the National People's Congress, historical museums, and other public buildings for civilian use; and some were responsible for the surveying and design of some major military industrial projects and scientific research projects. Most of the awarded masters are veteran specialists who have dedicated their whole lives to the construction of New China and have enjoyed outstanding reputations in the surveying and design industry at home and abroad.

Article on Eighth Five-Year Plan Guidelines

HK1512063790 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 50, 10 Dec 90 p 1

["Letter From Beijing" by Bao Xin (7637 0207): "Guidelines for Working Out the Eighth Five-Year Plan"]

[Text] Brother:

Your inquiry about the formulation of the Eighth Five-Year Plan and the 10-year program was on hand. As far as I know, the Eighth Five-Year Plan is being worked out. An economic work symposium, sponsored by the central authorities, already discussed the guidelines for drawing up this plan and the State Council also discussed the plan. Here I would like to say what I know about it.

The second strategic target for China's economic development is doubling the GNP in the coming 10 years and raising the people's standard of living to the medium level of advanced countries or above. To achieve this, China, based on its present state, should keep an annual economic growth rate of six percent for the coming 10 years. Different localities can take different measures according to their specific conditions. Localities with low basic figures have much potential for development and, therefore, are allowed to develop a little faster than this rate. Those localities with comparatively high basic figures may develop a little slower than this rate. In short, China will not seek an excessive economic growth rate in the future but will, in the course of maintaining an appropriate growth rate, adjust the economic structure, straighten out economic relations, and improve economic results to bring about sustained, steady, and coordinated national economic development and to prevent large-scale fluctuations, economic overheating, and over-anxiety for quick results.

Agriculture will be given priority in national economic development for the coming 10 years in an effort to increase grain production by 5 to 8 billion kg per year.

To achieve this target, the state will increase its investment in agriculture, and local governments will also devote more financial resources to agricultural development. There is a need to develop irrigation and industrial products for agricultural use, including chemical fertilizers, plastic sheeting, farm chemicals, and agricultural machinery. Efforts will also be made to speed up cotton production to meet the needs of the textile industry. Rural reform will be deepened and advanced agricultural technology will be popularized to ensure stable growth in grain and cotton production.

On the basis of maintaining an overall balance, the state's industrial policy should be strictly put into effect to enable all industries to develop proportionately. Major efforts will be made to develop basic industries, including energy, transportation, telecommunications, and raw material industries. This will add to the stamina for economic development. With regard to processing enterprises engaged in the production of textile, machinery, steel, and industrial chemicals, generally they are not encouraged to build new factories but to tap their potential, to introduce technical transformation for the production of new products, to manufacture high-grade commodities, and to display their existing productivity.

Reform will be deepened. Apart from stabilizing the present economic policy, the integration of the planned economy with market regulation will be improved, systematized, and regularized. Moreover, policies on rural areas, cities, and enterprises, the contracted management responsibility system, and all other economic policies will be improved and developed. The initiative of central and local authorities, enterprises, and individuals will be brought into better play. The central authorities will concentrate certain financial and material resources on the construction of national defense and basic facilities. The price adjustment will continue, with focus on adjusting price parities between industry and agriculture, between heavy and light industries, and between the raw material industry and the processing industry, to bring about an average social profit rate. Measures will be taken to turn the double track price system into a single track one. This price adjustment will proceed in a proper manner by maintaining an overall balance and taking account of the bearing capacity of the state, enterprise, and individual.

The open policy will remain implemented. China will not carry out its construction behind closed doors. It will continue to learn from the advanced technology of foreign countries, to utilize foreign capital and preferential loans, and to develop foreign trade. Some people said that in the past economic policy did not comprise adequate care for the hinterland, therefore they suggested running special economic zones or development areas in hinterland provinces. The central authorities summed up experiences and lessons in this respect. Great achievements have been made in running special economic zones or development areas, but there are also some irrational problems. An example is that some

enterprises which did not conform with the state's industrial policy could also enjoy preferential terms. Therefore the state will not build any more special economic zones, with the exception of Shanghai's Pudong development area. The state policy will not be catered to certain regions; instead, the industrial policy will be implemented in such a way that certain industries may benefit from it. Projects which conform with the state's industrial policy and can increase foreign exchange income, be they in hinterland or coastal areas, will be entitled to preferential terms provided for all development areas.

Efforts will be made to improve the people's lives in the course of developing the economy. Because a large amount of foreign capital was introduced during the first 10 years, terms and conditions for using foreign capital in the coming 10 years will be less favorable than the past. In the first 10 years the state gave special consideration to the living expenditures of workers and staff members (their consumption accounted for about 60 percent of the national income). Their living expenditures for the coming 10 years will account for less as compared with the past. This is because there are still many tasks for the state to fulfill, such as carrying out the construction of national defense and basic facilities. Improvement of urban life will focus on resolving the citizens' housing problem. The housing system will be reformed by encouraging the state, enterprises, and individuals to share the housing construction fund. Also, the medical system needs to be reformed, as does the labor insurance system. In the coming 10 years China will witness great development in science, technology, education, culture, public health, family planning, and environmental protection. Bao Xin 3 December.

SPC Report Maps Out Long-Term Economic Plan

HK1712022390 Hong Kong SOUTH CHINA
MORNING POST in English 17 Dec 90 p 9

[By Chris Yeung]

[Text] A report compiled by the State Planning Commission (SPC) has mapped out a long-term plan to divide the country into 10 economic regions to fully develop the economic strength of the mainland.

Under the proposed blueprint, the southern coastal region of Guangdong, Guangxi, Fujian and Hainan Island will be given the task of developing an export-oriented economy to earn needed foreign currency.

Spearheaded by the Pudong Development Zone in Shanghai, the Yangtze River Delta economic zone will focus on high technology processing industries.

The eight other regions include:

The northeastern economic region, comprised of Heilongjiang, Jilin, Liaoning and Inner Mongolia to be developed into a base for heavy industry, agriculture, forestry and animal husbandry.

The Northeastern-Bohai region of Beijing, Tianjin, Hebei and Shandong will concentrate on information technology, horticulture and cotton.

The region along the mid-stream of the Yellow River, including Shanxi, Shaanxi, Henan and Inner Mongolia, will be expected to speed up the exploration of coal and mineral resources.

The region along the mid-stream Yangtze River, comprising Hunan, Hubei, Jiangxi and Anhui, will be developed into an agricultural base and industries with a high water consumption will be promoted along the river.

The region along the low-stream of the Yellow River, Gansu, Qinghai and Ningxia, will become a base for energy resources and raw materials which depend largely on hydro-electricity.

The region along the upper-stream of the Yangtze River, which will be formed by Sichuan, Guizhou and Yunnan, will grow into a heavy chemical industrial base as well as a centre for agriculture and forestry.

The Xinjiang region will be a special zone for oil and oil chemical industries. Agriculture, animal husbandry and their associated processing industries will also be emphasised.

The Tibet region will be steered towards the development of a modern economy.

Open Policy Said Attracting More Foreign Banks

*OW1612185290 Beijing XINHUA in English
1403 GMT 16 Dec 90*

[Text] Beijing, December 16 (XINHUA)—Chinese Government's decision to establish the Pudong new development zone in Shanghai last April has fired increasing enthusiasm of foreign banking institutions to open their branches in China.

An article in recent "BEIJING REVIEW", an English language magazine, said, according to the People's Bank of China, more than a dozen foreign banks have applied for establishment of their branches in the Pudong zone, and four or five foreign bank branches would open their business in Pudong this year or next year.

An official from the foreign bank administration office of the People's Bank of China, which handles applications of foreign banks hoping to open branches and offices in China and oversees their business in China, said that, a total of 33 branches of foreign banks had been established in China, including a Sino-foreign bank and a foreign-funded financial company.

All these branches, mainly scattered in five coastal cities of Shenzhen, Xiamen, Zhuhai, Shanghai and Haikou, were established by 18 registered banks from Hong Kong, France, Britain, the United States, Japan and Singapore.

China has carried out a series of specific rules and regulations on the establishment of foreign bank branches and their lines of business in China, such as the administrative regulations of the People's Republic of China on foreign banks and Chinese-foreign banks in special economic zones promulgated in 1985 and the interim provisions on the administration of business of foreign banks in special economic zones published in 1987.

Statistics from the State Administration of Foreign Exchange Control show that foreign bank branches in China had a total of 518 million U.S. dollars of capital funds in 1989, a deposit reserve of 1.664 billion U.S. dollars (including 1.159 billion U.S. of overseas savings deposits), 1.504 billion in loan reserves (including 210 million U.S. dollars of overseas loans).

In the same year, these branches made 24.89 million U.S. dollars in net profits after handing over taxes.

During this period, Chinese banks also made rapid progress in their foreign exchange business. In 1989, their savings deposit in foreign exchange amounted to 19.5 billion U.S. dollars and loans totalled 27.2 billion U.S. dollars.

State Council Approves 59 New Customs Posts

*OW1712132090 Beijing XINHUA in English
1240 GMT 17 Dec 90*

[Text] Beijing, December 17 (XINHUA)—The State Council approved the establishment of 59 new customs posts during China's Seventh Five-Year Plan period (1986-90).

So far, 42 of the posts have gone into operation and work on the remaining 17 is well under way, an official from the General Administration of Customs said today.

The capital cities of nine provinces got their first customs headquarters during the period.

Meanwhile, in northeast China some old customs posts which had been closed for various reasons were re-activated in a bid to boost Sino-Soviet trade.

1990 Foreign Trade Surplus Reported

*HK1112114590 Hong Kong TA KUNG PAO in Chinese
4 Dec 90 p 2*

["Special dispatch": "China Reverses Foreign Trade Deficit With a \$6 Billion Foreign Trade Surplus for the Whole Year"]

[Text] Beijing, 3 Dec (TA KUNG PAO)—As learned from concerned sources, China's 1990 gross customs import and export value is expected to reach \$108 billion, of which \$57 billion will be in gross export, representing an increase of 8.9 percent compared with the \$52.49 billion last year; and \$51 billion in gross import value, down 13.8 percent against last year's

\$59.14 billion. This year will see a reversal of the foreign trade deficit that began in 1984 and \$6 billion in surplus.

This year's favorable balance of trade will primarily be a result of the control over electro-mechanical and high-grade durable consumer goods imports. However, there have been improvements in the export mix, with export of industrial manufactures expanding to over 70 percent in proportion.

According to customs statistics, the January-October aggregate gross export value is \$47.25 billion, an increase of 15.7 percent over the same period last year. Of this amount, gross import accounts for \$41.05 billion, down 13.5 percent. Goods exports calculated in foreign exchange exceed imports by \$9.3 billion.

Petrochemical Production Joins World Leaders

*OW1312232490 Beijing XINHUA Domestic Service
in Chinese 1559 GMT 12 Dec 90*

[By reporter Zhang Chaowen (1728 6389 2429)]

[Text] Beijing, 12 Dec (XINHUA)—China's petrochemical industry developed rapidly during the "Seventh Five-Year Plan" period. Currently, our country produces more than 90 million tonnes of over 1,500 types of petroleum and petrochemical products annually. With its crude oil processing and ethylene producing capabilities respectively ranking fourth and eighth in the world, China's petrochemical industry is among the top in the world.

In the past five years, the total output value of China's petrochemical industry has grown from 30 billion yuan in 1985 to 44.2 billion yuan in 1990, increasing at an average annual rate of eight percent. The industry raked in 80.2 billion yuan in profits and taxes. Total sales volume increased from 35.2 billion yuan in 1985 to 63 billion yuan in 1990, rising steadily at an average annual rate of 15.8 percent. Such growth rates, significantly higher than the average national industrial growth rate, are among the highest in the world's petrochemical industries for the period.

During the "Seventh Five-Year Plan" period, our country's petrochemical industry invested 39.3 billion yuan in capital construction and technical transformation. The total value of assets jumped from 20 billion yuan to 80 billion yuan. Of this amount, 23 billion yuan was invested in the successive construction of the four world-famous, 300,000-tonne ethylene projects of Daqing, Qilu, Yangzi, and Shanghai; and 1.9 billion yuan in the construction of the three 300,000-tonne synthetic ammonia and 520,000-tonne urea projects of Zhenhai, Urumqi, and Ningxia. In addition, a 200,000-tonne chemical fiber project was launched in Shanghai. In 1985, our country's crude oil processing capability ranked ninth in the world. Its ethylene production capacity was not even among the top 20. In 1990, China ranks fourth and eighth, respectively, in the world with its capability to process 144 million tonnes of crude oil

and produce 1.96 million tonnes of ethylene. At present, over 800,000 petrochemical workers in our country operate more than 900 pieces of modern petrochemical production equipment and related supporting facilities, achieving an overall production capability equaling that of major petrochemical producers in the world.

From 1985 to 1990, petrochemical products delivered to the state by the industry increased from 70 million tonnes to 90 million tonnes, covering 1,500 categories. Of these, the output of four major oil products—gasoline, kerosene, diesel, and lubricating oil—has grown 31.9 percent. Major petrochemical products—ethylene, plastics, synthetic rubber, synthetic fiber, synthetic ammonia, and urea—also have chalked up substantial growth. Basically, the production of most major petrochemical products has been localized. In five years, the petrochemical industry has accomplished 1,193 major scientific and technological projects, and applied the results of such projects to the development of over 200 new product categories, most of which are up to, or close to, international standards.

During the "Seventh Five-Year Plan" period, China's petrochemical industry established economic and technological cooperative ties and business connections with more than 1,000 companies and banks from over 50 countries worldwide. The China National Petrochemical Corporation has set up six overseas branches and conducted 36 Sino-foreign joint ventures. It has exported over 30 million tonnes of finished oil products and other petrochemical goods, reaping nearly \$7 billion in foreign exchange. With its 1990 total sales volume, calculated on the basis of this year's world prices, amounting to \$20 billion, the corporation has become a major influential petrochemical company in the world.

Conference Analyzes Task for Light Industry

*OW1612082690 Beijing XINHUA in English
0758 GMT 16 Dec 90*

[Text] Beijing, December 16 (XINHUA)—China's light industry will develop at an annual rate of 6.5 percent in the coming decade, a national conference was told here today.

Speaking at the conference, Hu Nan, a senior official of the Ministry of Light Industry, said that by the end of the Eighth Five-Year Plan (1991-1995), the total output value of the light industry will have reached 309 billion yuan, an increase of 33.8 percent over 1990; and the total output value in the year of 2000 is expected to increase 40.2 percent over 1995.

He said that during the Eighth Five-Year Plan period, the ministry will focus on the adjustment of the industrial structure, the development of raw material, equipment and other basic sectors, pay attention to improving traditional industries and developing new industry with technological renovation.

During the period of the Ninth Five-Year Plan (1996-2000), the ministry will make efforts to enhance the whole level of science and technology, education, production and service of the light industry.

Following this line, Hu said, the output of household refrigerators will increase from six million in 1990 to nine million in 1995. The output of washing machines will increase from eight million to 10 million, and that of sugar will jump from 5.25 million tons to 7.5 million tons.

Major efforts will be devoted to developing new products in the next five years. A total of 10,000 kinds of new products will be developed every year.

According to the plan, by 1995 all the die sets required by the light industry will be made at home and their designs and technology will reach the level of the developed countries in the 1980s.

Hu Nan said that during the Eighth Five-Year Plan period, the Ministry of Light Industry will give priority to completing the unfinished construction items launched during the Seventh Five-Year Plan (1986-1990), and most of the investment on new items will be used in the raw material bases of the light industry.

Yu Zhen, vice-minister of light industry, said that the total output value of the light industry next year is expected to increase 6 percent over this year. The increase will be materialized by relying on technical renovation, adjusting the product pattern, developing new products and increasing the added value of products.

Development of Electronics Industry Urged

HK1012132790 Beijing RENMIN RIBAO in Chinese
21 Nov 90 p 2

[Article by Zeng Peiyan (2582 1014 3508), vice minister of the Ministry of Machine-Building and Electronics Industry: "Place the Development of the Electronics Industry on the High Plane of National Strategy"—first paragraph is RENMIN RIBAO editor's note]

[Text] In the change from extensive to intensive operation in the industry of our country, the electronics industry plays a unique and important role. Comrade Zeng Peiyan has put forward in his article a certain number of opinions that are worthy of our attention and study. The development of the electronics industry and the application of electronics technology are not only an "issue related to one single industry," but also an issue concerning a new technological revolution. Apart from the development of the electronics industry as put forward by this article, how all trades and services absorb and utilize electronics information technology, achieve more substantial results in their actual economic operations, and thus yield higher returns is, in a certain sense, an issue that deserves greater attention. Only by extensively integrating electronics information technology

with other trades and services will there be intensive operations in a truly modern sense.

The electronics industry of the world is undergoing swift development with tremendous momentum and at a speed never attained by any modern industries.

Comrade Jiang Zemin once clearly pointed out: "It is truly necessary to increase our understanding of the strategic position of the electronics industry." His instructions are of vital practical significance and of far-reaching strategic significance.

Energy, materials, and information constitute the three major pillars supporting the development of the modern economy. As an important resource, information may play a role in multiplying energy, materials, and economic development. Correctly understanding this issue is of great significance to the development of our country's economy from an extensive pattern to an intensive pattern.

It is impossible for us to guarantee the realization of the second and third strategic objectives for developing our national economy through excessive consumption of materials and energy resources. Instead, decreasing consumption and raising efficiency should be taken as the basic principle for developing the economy. We should lay emphasis on the increase of the gross national product in terms of consumption per unit (consumption of energy, materials, and funds,) rather than simply relying on expanding the scale of traditional industries as a means to support economic growth.

The most practical, efficient, and important way for bringing about this change is to vigorously develop the electronics industry and extensively and profoundly promote the application of electronics technology. Modern electronics technology with microelectronics technology as its nucleus has provided great potential for economic development. One can say without exaggeration that any industry, once integrated with electronics technology, will develop by leaps and bounds and bring about great changes to its face. This cannot be matched by any technology in the present reality. Electronics information technology is the most advanced productive force in the contemporary world. Its extensive application signifies the advent of an extremely profound industrial revolution. In some developed countries, computers can shoulder the work load of several hundred billion [as published] people. How tremendous is this productive force!

We need to reach a consensus with regard to the importance of developing the electronics industry and then proceed to place its development on the high plane of national strategy. At present, we need to resolve well the following several problems.

First, we must renew our understanding of the nature of the electronics industry. Up to now, some of our administrative departments have always classified the electronics industry as a processing industry and even use

the narrow concept of machinery and electrical combination to cover up a newly emerging industry with the greatest future. Now it seems that such classification has blurred the attributes of the electronics industry. General processing industries in our country are relatively "overgrown industries." [chang xian gong ye 7022 4848 1562 2814] Classifying the electronics industry as a processing industry means bringing it into the category of traditional industry, thereby limiting its development. The electronics industry carries out high value-adding production with the least energy and materials consumption (the value-adding rate of the electronics industry in developed countries exceeds 60 percent). It is not a processing industry characterized by handling a large quantity of raw and processed materials in general. In particular, the micro-scale processing of the microelectronics industry uses a great variety of raw and processed materials that are small in quantity, but super-pure, and super-precise. They are the so-called "electronics grade" [dian zi ji 7193 1311 4787] precision materials. These materials themselves are high technology products. The electronics industry is a knowledge production industry. Apart from hardware production, it also deals with software production as a knowledge form. This is entirely different from processing industries in general. In order to overcome the limitations of the traditional concept, we suggest that the electronics industry be solely listed as an information industry, to differentiate it from general processing industries and basic industries.

Second, we must enhance the understanding that the electronics industry is a forerunning industry. The electronics industry is one that signifies the technological standard of the times. The electronics industry must start off before others. Only thus can it bring along and promote the development of other industries. It determines, to a large extent, the progress of the economic development of our country. Western Europe's experiences and lessons are worth using for our reference. West European countries overlooked the development of the electronics industry for a certain period of time, which forced them into a severely passive economic position. In recent years, they have been doing all they can to catch up, and have tried to regain the initiative. As they have "owed" too much, they can, by no means, achieve results in a short time. The electronics industry is an industry of intensive investment, which has a high demand on investment intensity in terms of scientific research and capital construction. Without mobilizing our national strength, we will not be able to successfully develop it and turn it into a leading industry.

Third, we should correctly handle the relationship between the development of traditional industries and that of the newly emerging industries. Traditional industries and the new emerging industries should be interdependent, rather than mutually replacing each other. At the present stage of our national economic development, the development of the new emerging industries will be the principal contradiction. If we do not accelerate the development of new emerging industries, the development of traditional industries will just achieve half the

result with twice the effort, and our national economy will remain in a state of extensive pattern for a long time. In dealing with the relationship between traditional industries and the new emerging industries, we should start from adjusting industrial structure and investment policy, and adopt appropriate preferential policies toward the new emerging industries.

Fourth, we should properly handle the relationship between imports and self-reliance. Our country's electronics information industry is backward technologically. In order not to retard the pace of our national economic development, it was necessary for us to import technology from abroad in the past as a stopgap measure. In our opinion, however, high technology in real terms is something that other nations will not sell and we must rely on our own strength for its development. To realize the "four modernizations," China must lay its own foundation for the electronics industry. There is no other way than this.

Fifth, we should enhance our understanding of the complicated nature and difficulties of the electronics industry. The electronics industry itself is the foundation for industries, and it also has to be developed on the basis of other industries. It is no doubt difficult to develop whole systems and complete machines. Yet, the production of component parts, instruments, special equipment, and materials is even more difficult. Without laying a foundation for producing our own highly precise special equipment and materials, we will have no way of developing our country's microelectronics industry. At present, in our country, the intensity of capital construction and scientific research inputs in the electronics industry is below the level required by a high technology industry. To change this state of affairs, we must exert extraordinary great efforts.

Posts, Telecommunications Growth in Seventh Plan

OW1412134790 Beijing XINHUA in English
1247 GMT 14 Dec 90

[Text] Beijing, December 14 (XINHUA)—Foreign investors in China can now find satisfactory posts and telecommunications services due to favorable policies and high investments in the sector in recent years.

Officials from the Ministry of Posts and Telecommunications said here today that total investment in the sector's fixed assets during the past five years exceeded the planned quota by 60 percent. Investments during this period were also higher than the total for the previous 36 years.

The officials did not say how much exactly has been invested.

The average annual growth for the sector reached 20 percent during the Seventh Five-Year Plan period (1986-90), much higher than the growth rate of the overall economy, the officials said.

As a result of high investment and strong policy support, nearly 300 Chinese cities now provide international direct dial telephone service and, if necessary, nearly all other cities can provide such service in a short period of time, the officials added.

The most striking achievement, according to the officials, is the establishment of a national network of automatic long-distance telephone facilities. Previously, a sizable volume of long-distance telephone service was handled manually.

The network now connects 658 cities and that the target for the five-year plan required only "automatic or semi-automatic long-distance telephone service connecting provincial capitals, economic centers and open coastal cities."

China now provides almost all telecommunications services provided by other advanced countries, the officials added.

Nuclear Industry To Produce Civilian Items

*HK1312020290 Beijing CHINA DAILY in English
13 Dec 90 p 1*

[by staff reporter Li Hong]

[Text] China's nuclear industry will continue to stress development of nuclear and non-nuclear related products for civilian use and the continued expansion of nuclear energy, according to the China National Nuclear Industry (CNNI).

Meanwhile, it is ready to seek co-operation with foreign countries in economic relations, mutual trade and technological exchanges.

The gross industrial output value of China's nuclear industry, said the source, is expected to overfulfill the target set for it in the Seventh Five-Year Plan period (1986-1990) by more than 14 per cent.

And the total export volume in the same period is also expected to rise by 65 per cent over the previous five years.

An official from CNNI said civilian use would account for about half of the output value of the country's nuclear industry by the year 2000.

Production of rare earth metals, man-made diamonds and medical equipment will continue to grow with the reduction of military hardware, demand for which has been on the decline since the beginning of the 1980s.

During the 1986-1990 period, the rate of civilian products by China's nuclear industry has grown by an annual rate of 21.4 per cent, three times that of the previous five-year period.

Ethnic Minority Economies Reportedly Develop

*OW1412091990 Beijing XINHUA in English
0839 GMT 14 Dec 90*

[Text] Beijing, December 14 (XINHUA)—Agriculture, industry and trade have developed rapidly in China's ethnic minority areas in the past 40 years.

Statistics from the State Commission of Nationalities Affairs show that the average yearly per capita income of farmers and herdsmen in ethnic minority areas was 517 yuan last year, 3.6 times greater than the figure for 1981.

After the founding of New China, governments at all levels pooled their efforts to improve production conditions for ethnic minority groups.

In the past four decades, irrigation areas in ethnic minority areas have increased from just four million hectares in 1949 to 7.3 million hectares last year; one-third of the cultivated land was tilled by machine.

In the southern part of Ningxia Hui Autonomous Region, the average per capita grain output increased from less than 100 kg in 1983 to 270 kg last year due to the huge poverty-relief funds allocated to the region by the central government. As a result the increased agricultural production, the average per capita income in this area increased from 70 yuan to 320 yuan during the eight year period.

Industry has also made great strides in these areas. Last year, the total industrial output value of the five autonomous regions consisting of Xinjiang, Tibet, Inner Mongolia, Ningxia and Guangxi, amounted to 120 billion yuan, 148 times greater than the figure for 1949.

To date, the industrial output value of ethnic minority areas accounted for 64.3 percent of the country's national economy.

These areas have also benefited from increased border trade. Last year, border trade for Xinjiang Uygur Autonomous Region totalled 200 million swiss francs, representing an eight-fold increase over the figure from 1984.

Article Views Provincial Farming Service

*HK1412142190 Beijing RENMIN RIBAO in Chinese
7 Dec 90 p 2*

[Article by the Investigation Group of the State Council Research Office: "The Beginning of a Big Project—An Investigation Into the Setting Up of an Agricultural Service System in Southern Jiangsu Province"]

[Text] In most areas in southern Jiangsu Province farming is no longer difficult. If you want farmland you can go to machine-aided farming brigades; good seeds, the supply stations; fertilizers, the chemical fertilizer and pesticide stations; drainage and irrigation, the water

controllers; insect eradication, the plant protection personnel... The responsibility fields are still under individual peasant household management, and the centralized and decentralized combination of the two-tier operation system in agricultural production is improving daily. The key to all these achievements lies in the establishment of a farming service system.

Recently we went to southern Jiangsu to make a special investigation into this area.

**To Consolidate and Develop the Collective Economy,
We Must Develop Socialized Farming Services; and To
Promote Steady and Stable Agricultural Development,
We Must Also Develop Socialized Farming Services**

Southern Jiangsu is one of our country's relatively developed areas in the rural economy. By 1983, the output-related contracted household responsibility system had generally been established in the area. Following the establishment of separate household management, there appeared the situation in which some matters "were intractable or beyond the means and control" of individual households. To remedy this situation, as of 1984, some villages and townships launched specialized services such as drainage and irrigation, farming machinery farming, and plant protection. Initially, in most areas these services were of a voluntary nature.

Following the development of the rural economy and a several-year long fluctuation in grain production, in 1986 the area began to grasp the building of the farming service system with a more conscious effort. To provide guarantees for capital, Jiangsu Province at that time set up an agriculture-building foundation fund system (each month enterprise workers would each contribute no more than 10 yuan from their wages to the foundation), and planning for the building of the service system became an important part of rural work. Thereafter, the service system became increasingly organized, institutionalized, and normalized.

Now the farming service system in southern Jiangsu has acquired a rudimentary shape, and a socialized service network has developed mainly providing services for rural collective economic organizations being supported by departmental services at or above the county level. Viewed horizontally, 60 percent of villages in areas around Wuxi and Suzhou Cities have centralized services capable of being "centralized," are now able to provide a relatively complete range of regular and centralized services, such as central markets, seed supply, machinery farming, drainage and irrigation, disease prevention, insect control, and chemical fertilizer supply. Close to 20 percent of villages are able to offer not only regular services but also facilities such as seed banks, farming machinery stores, fuel stations, fertilizer and pesticide stores, and work stations for farming service personnel. However, the other 20 percent or so of villages are relatively poor in rural service. Viewed vertically, there are many special departmental services such as pre-production fertilizer supply networks and after-production service networks, both of which serve

chiefly supply and marketing cooperatives in ways such as ensuring that the farming work is supplied with urgently needed fertilizers and farming households get their fertilizers from within their villages. The drainage and irrigation organizations, which take care of the water conservancy system, will ensure scientific water control and utilization; and there are farming machinery service network, scientific and technological service network, various management service network, policy, credit, and management consultancy service networks all crisscrossing and overlapping each other, and forming a very dynamic socialized service system.

Practice has enlightened people about the fact that the more sophisticated the service is, the more cohesive the collective body will become. Xiangyang Village of Huashi town, Jiangyang City has done a good job in rural service. Village party branch secretary told us: "Now we have excellent cadre-mass relations." Thanks to the increasingly perfect service southern Jiangsu's agriculture has scored new development. Climatic conditions this year have not been favorable and, in particular, there were agricultural losses inflicted by the No. 15 typhoon. However, in places we visited we distinctly felt that the agricultural production remained stable, and the peasants were all in a good mood. During the seven years of the implementation of the contracted household responsibility system, Suzhou City reduced farmland required for grain production by 15.6 percent while increasing output per hectare by 16.4 percent. Compared with seven years ago, annual total output rose by 5 percent. Responsible comrades at the Jiangsu Provincial Agricultural Department believe that in the 1990's southern Jiangsu will again lead the province in agriculture.

**Work To Create a Climate of Treating Service as the
Most Important Job, and Adopt Practical and Effective
Measures**

A few comrades thought that providing service is a waste of energy and money, and, given the present tight finance, it would be difficult to expand services. However, the practice of southern Jiangsu shows that there is always a way if we make an effort.

Take capital as an example, apart from relying on township and town enterprises' farming building funds and farming subsidies, southern Jiangsu pays a great deal of attention to launching paid services and economic entities to strengthen the hands of its service networks.

Between 1986 and 1989 there was 1.77 billion yuan in the farming building fund for the whole of Jiangsu Province, 80 percent of which was spent on expanding equipment such as farming machinery. Daily network-maintaining operating expenses relied primarily on service charges. For an ordinary package service covering the entire process from seeding to harvests, the present charge is between 60 and 80 yuan per mu. For a peasant household to provide itself with the same range of

service, the expenditure would more than double. The service networks charge cheaply and are welcomed by peasant households.

Southern Jiangsu has generally supported service networks to initiate economic entities in order to strengthen their serving capacity and perfect service functions. The various economic entities initiated by service networks are fairly active. At present there are 2,000 or so service entities in Suzhou City, annually fetching 140 million yuan in output value and earning 15 million yuan in profit, of which about 40 percent is directly spent on agricultural production. In 1989 taxes paid by farming technological services in Wuxi City alone amounted to 12.01 million yuan, and the profit margins have greatly strengthened the power of service organizations. Some service entities major in after-production circulation and processing areas; for example the multi-form management service system in Wujiang County, which takes up one-third of farm product circulation and is a vital new force in the local rural economy.

The development of service systems must have government support. From 1986, papers on rural work at provincial, city, and county offices all advocated building service systems. This year the provincial party committee and provincial government have taken "the practical results in building farming service systems as a major element in evaluating the performance of rural leaderships in fulfilling targets during their tenures." We feel that there has now been created a climate of vigorously developing service systems, which was initiated from the top and has found its way to lower levels. Grass-roots village and township cadres have all logically and closely reasoned opinions on the subject of service.

To widen the sources of funds for farming building, in 1989 the province decided to allocate six to 12 percent of after-tax profits of township and town enterprises to the farming building fund. The province, cities, and counties have also separately drafted preferential policies to support the development of service systems. For instance Suzhou City has explicitly laid down the "three no's" policy for entities run by village-level farming service stations: "No change in the structure, no arbitrary inter-collective transfer of resources, and no need to submit operating profits." Wujiang County requires that village-level service organizations can claim from county and village authorities 50 percent of money spent on purchasing plant and crop protecting machines. Villages which have taken the lead in establishing integrated service stations will enjoy preference in arranging water conservancy projects and will have 30 percent reimbursement in funds...

Moreover, governments at various levels have also created a good social environment for farming service personnel to give play to their talents, often citing advanced elements and, economically, granting many preferential treatments. In general the wages of service personnel are higher than local enterprise workers by about 10 percent, but, in contrast with the unstable

mood found in some state farming technological forces, the peasants' own farming service forces have enjoyed not only stability but also continued development. This situation is worth taking note of.

Developing Socialized Rural Service Is a Big Project That Has Just Begun

The building of the service system in southern Jiangsu features three notable trends: One is the notable trend of material input replacing human labor input by peasant households, with 50 to 70 percent of southern Jiangsu peasants' field labor taken over by the service system. A few peasant households, their middle-aged and young members gone to work in factories and without old men at home, or having only those unable to work, have simply entrusted service stations with directly running their contract fields. Two, a general increase in demand for mechanizing farming. Some rural cadres said: "While satellites goes up to the sky, rice transplanters will till the earth." Third, the rural service system is moving toward industrialization and after-production service. An aquatic product and animal husbandry company in Helei Township in a Wuxi City suburb and a multi-form operation service company in Bache town, Wujiang County are both very popular with peasant households, and are service entities which provide comprehensive and integrated production and marketing services. This is particularly true for Helei Township, where, as a result of self-initiated marketing and sales services one jin of fish brings 0.2 yuan more profits for peasants. The township has an exceptionally brisk fish breeding industry.

Southern Jiangsu's farming service system has moved from a single-item, spontaneous stage, into one of self-conscious all-around development. It is a highly popular, big project. In the words of the Houzhai Township leadership of Wuxi County: "If we continue our efforts along this line, we will remain confident."

What are lessons for the whole country, of southern Jiangsu's practice?

1. We should gradually merge the farming service system into the agricultural and national economic plans.

Nationwide, obviously the building of the service system is still inadequate. Although developing farming service system is now a consensus between high and low hierarchies, such an effort is restrained by weak township and town economic strength. To establish this work as a sustained institutionalizing effort, we must consider listing it on the overall agricultural development and national economic plan, such as supporting its efforts to mechanize farming by offering a certain amount of cheap but quality steel materials, some amounts of cheap farming production materials such as diesel oil, pesticides, and chemical fertilizers, the use of which can be extended to numerous households through the work of service networks. Furthermore, we may go easy on the credits of technical farming service networks and support the economic entities they initiated to serve

farming. The state integrated agricultural expansion funds and farming-supporting funds from the financial system can allocate small sums of money for the special use of constructing coordinating service networks. Economic entities launched by service networks to alleviate difficulties in service expenditure should get concessional taxes. In short, both the central and local authorities should employ every means to create conditions and produce methods with which to guide and support the development of the farming service networks.

2. There should be a set of support measures which distinguishes regions of different types.

For developed coastal regions the problem is not so much launching as perfecting the service networks. To meet the demands of agricultural modernization, we must pay special attention to exploiting and popularizing suitable farming machines. While the state should concentrate its technological strength on tackling key farming machines, various social sectors should be encouraged to pool their funds to develop farming machinery. The "private in the beginning but public in the end" way (that is supporting and ancillary farming machines end up being collectively owned) and the "public use of something privately owned" way (that is centralized use charges and transfers under the collectives) adopted in some localities to extend farming machine services should be affirmed and supported.

For less developed regions the problem remains putting the service networks to work. This is particularly true for

villages without any township or town enterprises. Service networks in these villages should serve as a center around which the collective economies revolve and with which to cohere popular feelings. Efforts must start with seeds, chemical fertilizers, and pesticides, plant protection, drainage, and irrigation which will not require much in expense, are low in cost, and urgently required by the masses; or with after-production transport, and marketing and processing which have higher returns and can contribute to capital accumulation; and then move on to promote services, perfect two-tier operations, and extend the building of the village-level collective economies. In this aspect, state economic and technological departments dealing with seeds, farming technology, farming machine, animal husbandry, producer goods, grain, agricultural banks, commerce, supply and marketing, and foreign trade can play an important role.

3. Stabilize and enliven the county-level farming technological forces. As newly graduated university and high-school students, for reasons of personnel arrangement limitations and the grass-roots nature of farming stations, cannot get to township and town levels which is where the needs are most urgent, it seems necessary to bring township and town farming technological forces whose work is chiefly extending farming technology, into the grass-roots government institutions. We should actively seek a practical way to realize this.

For less developed regions, township-level farming technological forces is the mainstay of farming technological service. Therefore, it is most important to strengthen the vitality of this force. We should consider giving support in areas of policy, capital, and materials, so that the force will gradually become strong in its support and handling of farming and services.

East Region

Lu Rongjing Discusses Role of Party Papers

OW1612214590 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 7 Dec 90

[From the "Provincial Hookup" program]

[Text] From 25 through 30 November, ANHUI RIBAO invited the chief editors of party papers of some fraternal provinces and municipalities to Anhui to jointly explore ways to do better in running party papers under the present circumstances.

The provincial party committee attached great importance to this meeting. Lu Rongjing and Yang Yongliang, respectively provincial party committee secretary and deputy secretary, met with the chief editors of the various papers and held cordial discussions with them.

Speaking at the discussion meeting, Comrade Lu Rongjing said: Party papers are the mouthpiece of the party and speak for the party. The interest of the party is the fundamental interest of the broad masses of the people. Thus, party papers should, in their propaganda, embody the policies of adhering to party principles and serving the people wholeheartedly. The provincial party committee demands that a provincial newspaper should be farsighted and consider or raise issues in a overall way. In a situation of diverse opinions, it is necessary to be broad-minded and handle them correctly with the bold style of revolutionaries. On the other hand, the performance of a provincial paper lies in the provincial party committee. The provincial party committee should show its concern for provincial papers politically, support them in work, and care for the livelihood of their staff so as to create favorable conditions and environment for the provincial papers.

Comrade Yang Yongliang said: This discussion meeting provides us with an excellent opportunity to learn from comrades. We should draw on the experience of various fraternal newspapers to improve ANHUI RIBAO. He maintained that at present, party papers' propaganda and reports should primarily focus on the stabilization of the overall situation; adherence to reform and opening to the outside world; further popularization of the basic party line, various principles, and policies; and the development of the two civilizations. Party papers should insist on positive propaganda as their mainstay; prioritize typical propaganda; and exercise their function of public supervision, correctly handle the relationship between media guidance and supervision, between discipline and liberty, and between commendation and criticism, and play their role as a think tank of the provincial party committee.

Participants held a unanimous view in promoting the superiority of party papers. They maintained that despite the structural changes in the newspaper industry and the challenges posed by the broadcasting and television industry, the superiority of party papers still exists

objectively. The most important step to take in promoting the superiority of party papers is to enhance party spirit and principle, strengthen their role as a mouthpiece, and make them uphold correct media orientation under any stormy waves. The promotion of the superiority of party papers lies in the macroscopic train of thought and the coordination of capabilities. Before proceeding to the main melody, we must first do well in playing the prelude, such as promoting public affairs, service and intellectual knowledge. Under the guidance of the (?double protection principle) [liang wei fang zhen], party papers should be stable, steady, positive, and [words indistinct]. In particular, they should strive to enliven and revitalize the economy.

The chief editors showed their deep concern for the quality of the journalists. To ensure that the media will always be in the firm control of Marxists, it is necessary to see that all editorial staff adhere to the correct journalistic viewpoint, strictly abide by journalistic discipline, promote professional ethics, rectify malpractices in the industry, and preserve the reputation of the party papers. [passage indistinct]

Yang Yongliang Views Enterprise Management

OW1712054690 Hefei ANHUI RIBAO in Chinese
9 Dec 90 pp 1, 3

["Speech by Yang Yongliang at the Provincial Experience-Exchange Meeting on Democratic Enterprise Management (Excerpts): 'Wholeheartedly Rely on the Working Class To Energetically Promote Democratic Enterprise Management'"]

[Text] The current experience-exchange meeting on democratic enterprise management jointly sponsored by the provincial federation of trade unions, the provincial party committee's organization department, and the provincial economic commission is aimed at making further efforts to implement the relevant documents issued by the central authorities and the guidelines of the Sixth Plenary Session of the 13th CPC Central Committee and to solve the question of how to make enterprise management successful by relying on the masses of staff members and workers. The opinion of the provincial party committee is that the fundamental guiding ideology of relying on the working class wholeheartedly should be reflected in all aspects of our political, economic, and social activities. In particular, this guiding ideology should be put into practice in enterprises and grassroots units.

In recent years our province has made rather great progress in depth and in breadth toward democratic enterprise management. Such progress has played a significant role in developing the economy, stabilizing the overall situation, and overcoming our temporary difficulties. Now, I would like to offer several suggestions on how to implement the guiding ideology of relying on the working class wholeheartedly, how to promote the democratic system in enterprises, and how to accelerate

the drive to improve the economic environment, rectify economic order, and deepen reforms:

1. Party organizations and especially leading cadres at all levels in the province should uphold firmly the idea of relying on the working class wholeheartedly. They should enhance further their understanding of the importance of democratic enterprise management.

The working class is the basic class upon which our party relies. It is a decisive force in upholding the four cardinal principles and the policy of reform and opening to the outside world. Moreover, it is a main force to carry out the socialist modernization program. Since the founding of the People's Republic, our party continuously has attached great importance to democratic enterprise management, as well as the place held and the role played by staff members and workers in enterprises. In particular, the party and state have, since 1986, enacted three official regulations relative to enterprises and the Enterprise Law, thus pointing out the direction to be taken in reforming and perfecting the leading and management systems for enterprises and in increasing the vitality of enterprises. The socialist economic system is a new social system based on public ownership of means of production. In socialist enterprises, workers are not only laborers but also co-possessors of the means of production and masters of enterprises. This is the basic difference between socialist and capitalist enterprises. As a fundamental and cardinal tenet, this has been included in our country's Constitution and the party Constitution. Because of this, it is a due right of staff members and workers to participate in managing enterprises and use democratic methods to ensure the exercise of the various rights they deserve. On the other hand, if we are to meet the demands of the party's basic line of "one central task and two basic points" and to achieve the four modernizations and make China a rich, strong, democratic, civilized, and modern country by the end of this century, we must, in the final analysis, go all out to develop our productive forces and invigorate our economy. As pointed out in the CPC Central Committee Decision on Reform of the Economic Structure, "the source of vitality of an enterprise is the initiative, wisdom, and creativity of its mental and physical workers." As can be seen, promoting democratic enterprise management and arousing and giving full play to the initiative and creativity of the broad masses of enterprise staff members and workers will be of vital importance to the implementation of the party's basic line and the attainment of the goal of the four modernizations. Party organizations at all levels, especially leading cadres at all levels including those in enterprises, must firmly uphold this guiding ideology. They must rely on the working class wholeheartedly, truly place importance on democratic enterprise management, and put it into execution in their practical work.

2. Thoroughly implement the guidelines of the relevant documents of the central authorities, correctly handle the

three relationships, and effectively guarantee the role of staff and workers as masters of their own affairs in enterprises.

To exercise democratic management of enterprises through reliance on the masses of workers, we must have an effective system and control mechanism. Otherwise, it would become a mere formality. From the current general inspection on democratic management in enterprises throughout the province, we gladly notice that enterprises at the grass roots have made some bold explorations in this respect, and have gained many successful experiences. They should improve further upon what they have achieved. Most importantly, they should follow the relevant regulations of the "Enterprise Law" and the three regulations, perfect the system of the workers' congress, and allow the workers' congress effectively to exercise the five powers vested in them.

To establish and perfect the system of democratic management of enterprises, it is most important now to handle correctly the relationship between the three aspects. First, it is necessary to handle correctly the relationship among the party, the management, and the workers of an enterprise; and allow them to shoulder their own responsibilities so they will make common efforts to ensure success in democratic management of the enterprise.

As the political nucleus of an enterprise, the party organization should regard it their important responsibility to lead and support workers in participating in democratic management, and support the trade union in carrying out its work independently. Local party committees should constantly conduct investigations and studies, and pay attention to solving problems in the democratic management of enterprises.

The management of an enterprise (plant director and manager) should guarantee the workers' congress to exercise powers, consciously accept supervision by the workers' congress, and prepare the necessary conditions for the workers' congress to participate in democratic management of the enterprise. Departments in charge of enterprises should regard democratic management as an important criterion for evaluating performances of enterprises and their leaders. Enterprises with fairly poor evaluation through democratic management should not be promoted, and their leaders should not be rated as advanced individuals.

The workers' congress and its working organ, the trade union, of an enterprise should place emphasis on democratic management; keep overall interests in mind; implement the party's principles and policies; correctly handle the relationship between the state, the enterprise, and individuals; consciously follow the leadership of the enterprise party organization; safeguard the unified command of the plant director (manager); and unite all workers in an effort to fulfill all production targets.

Second, it is necessary to handle correctly the relationship between the manager and the producer.

The distinction between the producer and the manager also exists in socialist enterprises. This is only the difference in the division of labor. In nature, both are essentially masters of the enterprise, and belong to the working class. Therefore, in developing a democratic system in an enterprise, we should safeguard the powers of the workers' congress in democratic management while safeguarding the plant director's authority as the manager. We should protect the plant director's enthusiasm in management and operation, while mobilizing the enthusiasm of the broad masses of workers so they will become masters of their own affairs in achieving the four modernizations.

Third, it is necessary to handle correctly the relationship between improving democratic management of an enterprise and ensuring success in production and operation of the enterprise. The plant director responsibility system and democratic management by workers constitute a unified whole and are inseparable in the system of leadership. They are a concrete reflection of the system of democratic centralism in enterprises. We should allow the plant director to exercise centralized command on the basis of democratic management by workers, and practice democratic management under the centralized command by the plant director. These two are supplementary and neither is dispensable. These are the dialectics of democratic management and strict administration of a factory.

3. Trade unions should take democratic enterprise management as the major aspect of their work and shoulder the heavy task as work organizations.

Trade unions are the most popular mass organizations of the working class under party leadership, serving as the bridge between the party and the broad masses of staff members and workers. In promoting the democratic system in enterprises, trade unions should take it as a major task to organize staff members and workers to participate in democratic management of enterprises or represent them in doing so. This task should be placed high on the work agenda of trade unions. Trade unions should persist in taking economic construction as the central task, give full play to the initiative of staff members and workers, and constantly improve the quality of enterprise management to gain better economic returns. At the same time, we should see to it that our province's economic work is truly proceeding on the track of development by relying upon good management and upon science and technology. We should give full play to the role of trade unions as a communist school, rely on the masses of staff members and workers to do well in democratic management, and see to it that staff members and workers truly act as the masters of enterprises. In the meantime, all-out efforts should be made to strengthen ideological and political work in enterprises. Extensive education should be conducted among staff members and workers to enable them to uphold the four cardinal principles, adhere to the policy of reform and opening to the outside world, keep to socialism and

patriotism, and persist in self-reliance and selfless dedication. Staff members and workers should be guided to deal properly with democracy versus the legal system and to exercise justly their democratic rights. In addition, it is necessary to bring into play the role of staff and worker congresses and to broaden constantly the avenue of democratic management. In the future, while consolidating and improving the system of staff and worker congresses, constant efforts should be made to broaden the avenue of democracy and to establish and improve various systems for this purpose, such as the system of meetings between trade unions and administrative (government) departments at various levels.

Party organizations in enterprises should value good workers and technicians and, in particular, admit outstanding frontline workers into the party according to the qualifications for party members. Meanwhile, party organizations at all levels should select cadres from among outstanding workers and model workers in accordance with the principle of paying attention to both ability and political integrity and the policy of making our cadre contingent more revolutionary, younger on the average, better educated, and more professionally competent.

Great efforts should be made to raise social and political positions of the working class. To ensure that the party's decision-making process is democratic and scientific, party committees at all levels should heed seriously the opinions and demands of trade union organizations and the masses of staff members and workers when making policy decisions on major issues. For trade unions to participate in government work in a democratic way, concrete regulations should be worked out and perfected.

4. It is necessary to strengthen propaganda work and to develop theoretic research in depth so that democratic enterprise management will become a matter deeply implanted in the minds of the public.

Wholeheartedly relying on the working class to promote the democratic system in enterprises is a task for the whole party and the entire society. It requires the extensive support and participation by all sectors of society.

The party's propaganda departments and all news, broadcast, television, cultural, and publishing departments should give wide publicity to the fine traditions and advanced representatives of the working class, praise their workstyle of selfless dedication while acting as masters of their enterprises, portray their fine qualities and great aspirations, and increase their sense of honor and pride. This should be done through ideological and theoretical work, propaganda, and the creation of new literary and art works.

Party schools and the social science community should beef up their studies on the working class and democratic enterprise management and find out ways and means to put into practice the guiding ideology of relying upon the working class wholeheartedly under the new situation. With the efforts of all sectors, it is hoped that a fine

social environment will come into being and democratic enterprise management will develop in a healthy manner in our province.

Anhui Industry Grows in Seventh Five-Year Plan

OW1412212890 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 4 Dec 90

[From the "Provincial Hookup" program]

[Text] A series of policies on reform and opening to the outside world adopted by the party during the Seventh Five-Year Plan brought a gleam of hope to the industries and the economy in our province and injected vitality into these two sectors. Industrial production grew at a comparatively rapid pace, and there was a marked improvement in our industrial and economic strength. Most of the targets set by the Seventh Five-Year Plan were realized ahead of schedule.

Following rapid development enjoyed by both the industrial and economic sectors in our province during the period of the Sixth Five-Year Plan, industrial production maintained a comparatively rapid growth during the period of the Seventh Five-Year Plan. The gross industrial output value of the entire province reached 43.9 billion yuan in 1989, fulfilling the target of 42.5 billion yuan set by the Seventh Five-Year Plan one year ahead of schedule. According to a preliminary estimate, the province's gross industrial output value in 1990 will grow 80 percent from the level of 1985 to exceed 46 billion yuan, increasing at an average rate of around 13 percent per annum, which is higher than the level of an average annual growth rate of 10.8 percent set by the Seventh Five-Year Plan. The major industrial products and production increased by a big margin in the past five years. According to statistics, 22 of the 36 major industrial products listed as items to be checked and assessed in the Seventh Five-Year Plan already reached or exceeded the plan's requirements ahead of schedule by one to three years. Most of the major products and production of the raw and semifinished materials industry, the agricultural development-promotion industry, and the household electrical products industry overfulfilled the tasks set by the Seventh Five-Year Plan. Our province's industrial and economic strengths were further improved as production continued to pick up. Fixed assets increased by a total of 15.4 billion yuan in our province during the first four years of the Seventh Five-Year Plan, posting an increase of nearly 100 percent over that registered in the period of the Sixth Five-Year Plan. The original value of fixed assets of the entire province's industrial enterprises that keep separate accounts reached 33.6 billion yuan as of the end of 1989. The production of some major industrial products in our province rose in rating nationwide during the past five years. The ratings for the amount of fixed assets and production of soda ash rose respectively from no. 8 and no. 15 in 1985 to no. 6 and no. 10 in 1989, while the production of pig iron, steel, finished steel products, coke, and sulphuric acid remained among the top 10 in

nationwide rating. The only exception was cigarette production, which remained unchanged in its rating of no. 5 in both 1985 and 1989.

Fujian Foreign Trade To Rise 14 Percent

OW1712131490 Beijing XINHUA in English
1232 GMT 17 Dec 90

[Text] Fuzhou, December 17 (XINHUA)—The foreign trade export value of east China's Fujian Province is expected to reach 1.9 billion U.S. dollars this year, a 14 percent increase over 1989.

By the middle of September, the province's foreign trade export volume had reached 1.283 billion U.S. dollars, fulfilling this year's state set target 110 days ahead of time.

Meanwhile, foreign investment in the province has also increased rapidly. During the foreign investment trade seminar held in Xiamen in September, about 723 foreign investment projects were signed. These projects involve a total investment of 1.36 billion U.S. dollars, with 1.04 billion U.S. dollars coming from foreign investors.

In addition, in the first ten months this year, the province approved 315 Taiwan-funded projects. At present, Taiwan investment accounts for 58 percent of the total overseas investment.

It is expected that total foreign investment in Fujian will reach 470 million U.S. dollars this year, more than double the year's target.

Jiang Chunyun Attends Insurance Press Briefing

SK1512151190 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 13 Dec 90

[Text] According to the dispatches sent by (Pan Bin), our station reporter, and (Li Yi), our station correspondent, from the press briefing sponsored by the Shandong Provincial Insurance Corporation Branch on the evening of 13 December, by the end of November this year, the province's total income earned from the insurance business reached 1.175 billion yuan, 20 times more than the increase over the sum scored early in 1980, when the insurance business was restored. The corporation branch dealt with more than 200,000 cases of compensations, spent more than 430 million yuan on these compensations, and made positive contributions to the province's economic development.

Attending the press briefing were leading comrades from the provincial level organs, including Jiang Chunyun, Zhao Zhihao, Li Zhen, Li Zichao, Zhang Quanjin, Miao Fenglin, Ma Zhongcai, Liu Peng, Ma Shizhong, and Zheng Guangchen.

Pan Lufu, vice president of the People's Insurance Company of China, took a special trip from Beijing Municipality to attend the press briefing to extend congratulations on the occasion.

During the press briefing Ma Shizhong delivered a speech in which he pointed out that, along with the development of the insurance business, the economic compensation role of the insurance business has become increasingly obvious. Over the past 11 years, the provincial insurance corporation branch has spent 1.6 billion yuan on compensations and played a more prominent role in dealing with the aftermath of several very bad disasters. He stated that the spirit displayed by the insurance corporation with regard to being eager to meet the need of the people and enterprises and taking the state interest into consideration is very precious. It has not only dealt with problems of extreme urgency in economic life but also, in a sense, has tightened the ties between the party and the masses and between the government and the masses.

As learned by the reporters, the number of insurance policies in the province has increased from fewer than 10 in 1980 to more than 160 at present. Their services have been involved in various fields of economic life and the economic risk assumed by the corporation has reached 6.7 billion yuan.

Zhu Rongji Addresses Meeting of Theorists

*OW1612233790 Shanghai City Service in Mandarin
2300 GMT 15 Dec 90*

[From the "Morning News" program]

[Text] The Propaganda Department of the municipal party committee held the 15th bimonthly meeting of theorists recently. Zhu Rongji, secretary of the municipal party committee, attended the meeting and listened to experts' opinions and suggestions.

Chen Zhili, deputy secretary and head of the Propaganda Department of the municipal party committee, chaired the meeting. Experts and scholars attending the meeting included Fan Litu, Fei Shixun, Shen Xunpo, Cai Laixing, Huang Qifan, Chen Xigen, Li Wuwei, Gao Ruxi, Shen Guanbao, Sun Haiming, Liu Bo, and Chen Jianan.

The experts and scholars discussed and made suggestions on Shanghai's economic and social development during the Eighth Five-Year Plan period. The experts maintained that to achieve the goal of reforming and revitalizing Shanghai in the next five years, it is necessary to improve reform and the opening policy under the new situation.

Some experts suggested: During the Eighth Five-Year Plan period, the Pudong new area shall widen its stride in reform and opening to the outside world, to help facilitate the development in Puxi. Meanwhile, Pudong's development depends on Puxi.

Other experts expressed the belief that the key to a substantial economic growth in Shanghai in the next five years lies in solving the shortages of funds and natural resources.

Still others noted: It is necessary to enact a comprehensive industrial policy and design plans for absorbing foreign capital during the Eighth Five-Year Plan period. It also is necessary to improve further the investment environment.

Still other experts maintained: To revitalize Shanghai, first of all, it is necessary to improve the quality of Shanghai residents. At present, the mentality of Shanghai residents does not keep abreast with the city's development. Therefore, apart from the factor of natural resources, the Eighth Five-Year Plan shall also figure in the human factor.

Comrade Zhu Rongji listened attentively to their comments, interjecting comments and discussing with them every now and then.

In the end, Comrade Zhu Rongji urged theorists to continue to acquaint themselves with the city's actual conditions; to investigate ways to enliven large- and medium-sized enterprises, readjust the industrial structure, and improve economic efficiency in enterprises; and to research other reform-related issues. He encouraged them to propose useful suggestions concerning Shanghai's economic and social development during the Eighth Five-Year Plan period.

Central-South Region

Lin Ruo Attends Cantonese Opera Festival

*HK1712094790 Guangzhou Guangdong Provincial
Service in Mandarin 0400 GMT 13 Dec 90*

[Excerpts] The opening performance of the Yangcheng International Cantonese Opera Festival was solemnly held in the Guangzhou Friendship Theater last night. [passage omitted]

With a strong lineup and radiant splendor, this performance was jointly given by Cantonese Opera performers from both home and abroad. It won warm applause from the audience, and also served to show that Cantonese Opera performers, both at home and abroad, have a galaxy of talent, and Cantonese Opera has a magnificent prospect of flourishing and developing.

At the end of the performance, provincial and city leaders Lin Ruo, Xie Fei, Ou Chu, Yang Li, Lu Zhonghe, Yang Yingbin, (Zhang Hanqing), and Zhu Shenlin; Central Advisory Commission member Liu Tianfu; members of the Standing Committee of the National People's Congress Ma Man Kei and Liang Lingguang; and veteran Comrade Liang Weilin went on stage to present a basket of flowers to the performers and had a group photo taken to mark the occasion.

A total of over 1,400 people from literature and art circles at home, abroad, and in Hong Kong and Macao watched last night's performance.

Shenzhen City CPC Congress Opens 15 Dec

HK1612054290 Beijing ZHONGGUO XINWEN SHE
in Chinese 0927 GMT 15 Dec 90

[Text] Shenzhen, 15 Dec (ZHONGGUO XINWEN SHE)—Ten years after the founding of the special economic zone, the first CPC Congress of Shenzhen City was held here this morning. Ten representatives of the democratic parties and nonparty personages were invited to attend the congress as observers.

Zheng Liangyu, deputy secretary of the Shenzhen CPC City Committee, presided over today's opening ceremony. He said: The congress will be a major milestone in the development history of the Shenzhen Special Economic Zone. The central task of the congress is to summarize the experience in reform and opening up in the first decade and to study and explore the way to more successfully construct the special economic zone in the next 10 years. So this will be a congress of connecting the past and the future, and carrying forward the cause and forging ahead into the future. It will be of great and far-reaching significance for continuing to run the special economic zone successfully and endeavoring to play a leading role in the exploration of the socialist road with Chinese characteristics.

The congress agenda will mainly include the following points: Listening to and examining the work reports delivered by the Shenzhen CPC City Committee and Discipline Inspection Commission; electing the first Shenzhen CPC City Committee and Discipline Inspection Commission.

Li Hao Addresses Congress

OW1512173490 Beijing XINHUA in English
1646 GMT 15 Dec 90

[Text] Shenzhen, December 15 (XINHUA)—A senior party leader in Shenzhen, China's first special economic zone, predicted today that the region's economic growth will enter a new phase in the next decade. The city will be transformed into a comprehensive industrial center which uses advanced technology, has a well-organized service trade, and become a multi-functional international city, said Li Hao, secretary of the Shenzhen Municipal Committee of the Communist Party of China (CPC), at the city's first party congress which opened here today.

Speaking about the reform of Shenzhen's economic structure, Li said, the city will establish a new system for the development of a socialist planned commodity economy, and will make breakthroughs in the reform of ownership, the means of distribution, and in enterprise management and a market system.

The city will concentrate on construction of more means of production, real estate, funds, labor, technology, information and stock markets, and will perfect various regulations, Li added.

Shenzhen will also push forward the reform of political structures and strengthen the socialist legal system.

Deng Hongxun Participates in Construction Work

HK1712043090 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 12 Dec 90

[Excerpts] Yesterday, provincial party committee and government leaders, including Deng Hongxun, Liu Jianfeng, Bao Keming, Wei Zefang, Li Zhimin, and others, went to the construction site of a [words indistinct] drainage project in (Rongshan) Township on the outskirts of Haikou City to join more than 5,000 people, including cadres from various provincial and Haikou City organs, officers, soldiers, and local masses, in wielding spades to build the project. [passage omitted]

At about 0800, as soon as they arrived at the construction site, Deng Hongxun, Bao Keming, and other leaders rolled up their sleeves and trouser legs and joined other people in building the project. [passage omitted]

During a recess, Deng Hongxun told reporters: This year, Hainan's winter water conservancy works construction has proceeded more rapidly. A large number of cities and counties across the province have almost fulfilled their construction quotas. He said: Cadres of various organs must participate in labor. This is a system we must adhere to.

During a recess at around 1000, Liu Jianfeng, Bao Keming, and responsible comrades of the Haikou City party committee and government went to see officers and soldiers of the Hainan Provincial Military District, South China Sea Air Unit, the 11th Detachment of the Chinese Navy, and the Hainan Provincial Armed Forces, as well as cadres and masses of (Rongshan) Township. Liu Jianfeng told them: Hainan's grain production is relatively backward. Every year, Hainan has to import a large quantity of grain. Therefore, we must exert our utmost to carry out construction of water conservancy works, work hard to improve production conditions, and try to realize grain self-sufficiency as soon as possible.

Provincial CPPCC Committee Vice Chairman Li Mingtian; Haikou City's leading comrades, including (Chen Yuyi), Li Jinyun, (Zeng Haorong), and local military leaders, including Liu Chengbao, (Zhang Sufa), (Zhou Qingshan), (Li Liancheng), (Wang Heping), and others, participated in yesterday's construction work.

Meeting Held on Learning From Advanced Areas

HK1412130590 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 10 Dec 90

[Excerpts] The provincial party committee and government held a report meeting on learning from advanced experiences to rejuvenate Henan at the provincial People's Assembly Hall yesterday. [passage omitted]

Lin Yinghai, deputy secretary of the provincial party committee and secretary of the provincial Discipline Inspection Commission, briefed the meeting on the precious experiences created by the people of Shandong in building and developing the province under party committees and governments at all levels since reform and opening was introduced. Their experiences include: Firmly adopting the idea of regarding economic construction as the central task; keeping their minds on developing the economy; making determined efforts to push forward reform; opening the door to the outside world as wide as possible; constantly breathing new life into economic development; taking developing township enterprises as an important strategic task for invigorating the economy; maintaining stable and consistent policies; making great efforts to strengthen ideological and political work and party building to provide favorable guarantees for economic construction; and so on.

Hu Tuyun, member of the provincial party committee Standing Committee and vice governor, reported on how the law-enforcement and supervisory departments in Guangdong and Hainan had provided good services for economic improvement and rectification and reform, and opening and created favorable social conditions for developing the economy.

Vice Governor Qin Kcai recommended the experiences created by Fujian and Zhejiang in improving the investment environment and developing the export-led economy. [passage omitted]

Li Changchun, deputy secretary of the provincial party committee and acting governor, advanced three opinions on how to learn from experiences of advanced provinces and regions to rejuvenate Henan as rapidly as possible.

1. Through ideological work encourage the masses to learn from the advanced units and see where we lag behind and then work out measures to effect change around the slogan "forge ahead in unity to invigorate Henan."

2. Try in a down-to-earth manner to make success of 10 solid things through the campaign to learn from advanced units.

3. Take effective measures to strengthen the building of leadership line-ups and grass-roots units and strengthen the party and government's leadership over economic work.

Li Changchun said: When mobilizing the masses ideologically we should tell them to firmly adopt the idea that economic construction is our central task. Consistent and concentrated efforts must be made to effect an upswing in economic construction. We must carry on education intensively and on a wide scale, on emancipating the mind and changing outdated concepts. We must adhere to the principle that preservation of stability is a matter of paramount importance, and conduct

education on unity and stability extensively and thoroughly to create a favorable political and social environment. We should initiate a campaign to carry forward the "Red Flag Canal" spirit to pluck up the masses' courage and increase their confidence in rejuvenating Henan.

When talking about the 10 major things the province is set to do well, Li Changchun stressed: We must strive to achieve fruitful results in a down-to-earth manner. 1) While continuing to keep a firm grip on grain production, we must step up the readjustment of the structure of rural enterprises and develop rural commodity economy. 2) While consolidating and improving the system of contracted responsibilities on a household basis with remuneration linked to output, we must deepen rural reforms with stress on establishing and improving socialized service systems. 3) We must regard developing collective-owned industries in cities and townships as a strategic task for rejuvenating Henan. 4) With a view to improving economic performance we must make up our mind to readjust the product mix and improve administration of enterprises so that this province's industry will make a step forward. 5) Deepen the reform of enterprises and bring into play the enthusiasm of enterprises and the broad ranks of workers and staff members. 6) Quicken this province's tempo of opening up to the outside world. 7) Work hard to improve the investment environment to increase Henan's appeal to people at home and foreigners abroad. 8) [Words Indistinct] Raise funds through diverse channels and raise the investment efficiency. 9) Conscientiously implement the principle of rejuvenating Henan through applying scientific and technological achievements and attach great importance to technological achievements in our effort to develop the economy. 10) Strictly curb the excessive population growth rate.

When dealing with the building of leadership line-ups, Li Changchun said: It is necessary to strengthen the building of basic level units in rural areas, especially the building of village-level organizations with the party branch as their core. At the same time, we must do a good job of improving the party style and building clean and honest government and create favorable external conditions for developing the economy. [words indistinct]

We must be good at addressing specific economic problems by employing the productive forces criteria. All levels of departments and the departments concerned should change their functions, improve their work style, and vigorously promote the reform of government operations to provide better service for economic construction.

Southwest Region

Liu Zhengwei Participates in Construction Work

HK1412124590 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 13 Dec 90

[Text] The construction site of the Heitu Dam in Huishui County was shrouded in mist and cold weather yesterday morning.

It was early winter. Despite the cold wind, provincial party and government leaders, including Liu Zhengwei, Wang Chaowen, Zhang Shukui, and Wang Anze, provincial party committee Secretary General Liu Yuandong, and provincial government Secretary General Xie Yanggui arrived at the construction site to participate in this winter's water conservancy works building.

No sooner had they arrived at the construction site than the provincial party and government leaders picked up hoes and spades, and joined more than 3,000 office cadres, staff, and workers from various enterprises and mines, armed police officers and policemen, and students there in digging and shoveling soil. Before long, all of them were perspiring.

While digging and shoveling soil, Comrade Liu Zhengwei, Comrade Wang Chaowen, and other leading comrades also held talks with the cadres and masses there, and solicited their views on this winter's water conservancy works building. They stressed: To carry out this winter's water conservancy works building is an arduous task. Therefore, comrades at all levels must make concerted efforts in this regard. Cadres must go to the grass-roots level to work and solve problems on the spot and further strengthen this winter's work in a down-to-earth manner.

Report on Guizhou's New Tax Collection Measures

OW1612111790 Beijing XINHUA Domestic Service
in Chinese 1111 GMT 14 Dec 90

[By RENMIN RIBAO reporter Hu Yueping (5170 6460 1627) and XINHUA reporter Hu Zhusheng (7357 4591 0524)]

[Text] Guiyang, 14 Dec (XINHUA)—Tax departments in Guizhou Province have tightened their tax collection measures in all sectors, combining efforts to stop tax fraud with efforts to restructure the traditional tax collection methods. This has frustrated those who seek personal interests and those who abuse their power.

Believing that tax collection authority might have been widely misused, Guizhou's tax departments began early last year to explore means to control tax collection, considering the endeavor a priority in promoting administrative ethics. To tighten tax collection, they have devised a five-part tax control system based primarily on self-restraint. The five parts are:

1. The open system. This system, under which tax affairs have become more visible, has been adopted to encourage people to be lawful tax payers and tax affairs supervisors.
2. The rotation system. Under this system, a certain number of tax administrators, sectional chiefs, and departmental heads are rotated each year. Consequently, an invisible power of constraint has been created among the administrators, discouraging any attempts by them to establish abnormal ties with tax payers.

3. The separation system. Under this system, which has replaced the previous practice where tax collectors were also tax administrators and auditors, the responsibilities of tax collecting, controlling, and auditing are separated. This has compelled tax personnel to supervise each other.

4. The consultative system. This system, under which decisions about tax exemptions and deductions are made through open and collective consultations, has replaced the previous practice whereby decisions were made by only one person.

5. The auditing system. Under this system, an annual check is made on bills and vouchers which are easiest to falsify. In addition to checking the way tax payers pay their taxes, auditors are also required to check the way administrators and grass-roots collectors implement the tax law.

These measures, which have integrated the promotion of administrative ethics with tax collection, have made tax collection more efficient, controlled tax affairs by law, and supported the tax departments' efforts to combat irregularities. These measures have also discouraged those who try to use their tax collection authority to seek personal gain. Moreover, the improved tax system has exposed a large number of tax frauds; so far more than 100 people have been punished. The new tax system has also improved the relations between tax collectors and tax payers. Tax payers are taking the initiative to pay taxes, and many tax loopholes have been plugged. Compared with the same period last year, the amount of sporadic taxes collected during the January-September period increased by 27 percent. Furthermore, the spiritual outlook and workstyle of tax personnel have changed because of the new measures. More tax collectors have turned down dinner parties and gifts, and tax collection assignments have been fulfilled more satisfactorily than before. Statistics show that, despite low industrial growth during the January-October period, Guizhou still collected 18 percent more taxes than the same period last year.

Forum on External Propaganda Work Opens in Lhasa

OW1212000990 Lhasa Tibet Television Network
in Mandarin 1300 GMT 10 Dec 90

[From the "Tibet News" program]

[Text] The regional forum on external propaganda work, sponsored by the autonomous regional party committee, opened in Lhasa on 10 December. Autonomous regional party and government leaders including Raidi, Gyaincain Norbu, Danzim, Zi Cheng, Chen Hanchang, Lang Jie, Gyamco, and Zheng Ying attended the forum. Also present at the forum were secretaries and administrative commissioners in charge of propaganda work at the prefectural and city level, propaganda departments of prefectural and city party committees, as well as responsible comrades of pertinent departments in port and border county party committees, the autonomous

region, and the Tibet Military District. [Video shows close-ups of regional party and government leaders as announcer names them, then pans the audience.]

The central topics of the forum include relaying and implementing the guidelines of the national conference on external propaganda work, raising the awareness of the importance and urgency of improving and enhancing the work under the new situation, and defining the policy and mission of the work under the new situation. Based on actual conditions in Tibet, the forum also is to study ways to improve and strengthen external propaganda work in the region. Raidi, deputy secretary of the autonomous regional party committee, chaired the forum. [Video shows close-ups of Raidi and Danzim, alternating with shots of the audience]

Danzim, deputy secretary and head of the leading group for external propaganda work of the autonomous regional party committee, relayed the guidelines of the national conference on external propaganda work. He said: The national conference was very successful and inspiring. We comrades attending the conference were immensely heartened.

Comrade Danzim said: The autonomous regional party committee and people's government take this forum very seriously and place great hopes on it. On the second day after our comrades returned to Lhasa from the national conference on external propaganda work, the Standing Committee of the regional party committee, despite its busy schedule, held a special meeting to hear their report. Together, they earnestly discussed and made plans for relaying and implementing the guidelines of the national conference on external propaganda work and for improving and strengthening the region's external propaganda work based on its actual conditions.

According to the forum's agenda, Deputy Secretary Raidi will make an important report on behalf of the regional party committee and people's government. Deputy Secretary Gyamco will present many specific ideas on how to improve and strengthen external propaganda work in the region. It is safe to say that the care and support from leading comrades of the autonomous regional party committee and people's government, along with the effective preparations made through close coordination among various departments of the autonomous region, have laid a solid foundation for the success of the forum.

Comrade Danzim said: During the five-day forum, comrades will spend most of their time and energy studying and grasping the guidelines of the national conference on external propaganda work and of the important instructions of central leading comrades in connection with the work. The forum will help to make them more aware of the importance and urgency of improving the region's external propaganda work. At the forum, various localities and departments in the region will summarize and compare notes on their experience in carrying out external propaganda work. They also will discuss and

revise the autonomous regional party committee's decision on improving and strengthening external propaganda work in the region.

In conclusion, Comrade Raidi stressed: Participating comrades shall earnestly study and understand the guidelines of the national conference on external propaganda work and enhance their awareness of the importance and urgency of the work. In line with the region's actual conditions, they shall discuss and revise the documents on improving and strengthening external propaganda work in the region. They shall concentrate their efforts and pool their wisdom to make the forum a success.

North Region

Beijing Meets Seventh Five-Year Plan Targets

*OW1612123190 Beijing Domestic Service
in Mandarin 2230 GMT 14 Dec 90*

[From the "News and Press Review" program]

[Text] Upholding the policy of reform and openness, the Beijing Municipality has continuously stepped up its economic strength, steadily developed its industry, and reaped bumper harvests in agriculture every year during the Seventh Five-Year Plan. As a result, its urban and rural areas have taken on a new look, and the people's living standard has continuously improved.

According to the latest statistics of the Beijing Municipal Statistical Bureau, the principal targets set in Beijing Municipality's Seventh Five-Year Plan will all be fulfilled or overfulfilled. Its GNP has increased by an average of 8.4 percent per annum, and its national income by 5.7 percent. Thanks to the improving economic environment and the straightening out of the economic order, a markedly good trend has been observed in Beijing Municipality's fulfilling this year's economic and social development plan.

During the Seventh Five-Year Plan, the Beijing Municipality has carried out urban economic structural reform as the central task, and continuously deepened the enterprise contracted administration and management system; thus, they have invigorated their enterprises. Over the past five years, the municipality's total industrial output value has increased by an average of 8.7 percent per annum, higher than the amount set in the plan by 2.7 percent. Beijing has also fulfilled the production tasks of most of the 57 principal products set in the plan. Energy resources, means of production, and daily necessities, which have a most important bearing on the national economy and the people's livelihood, have especially increased in a comprehensive way.

During the Seventh Five-Year Plan, while properly implementing the household contracted responsibility system with remuneration linked to output, the Beijing Municipality developed agriculture in line with local

conditions, thus invigorating agricultural production. During the past five years, Beijing reaped bumper harvests in grain production each year. This year's output exceeds 2.5 million metric tons, an increase by more than 370,000 metric tons over the target set in the Seventh Five-Year Plan. Beijing also overfulfilled their set Seventh Five-Year Plan targets for the output of vegetables, meat, and marketable eggs.

The Beijing Municipality has also paid attention to readjusting the composition of export commodities, improving the quality of commodities, increasing the variety of products, improving the foreign businessmen's investment environment, and continuously developing foreign trade and tourism during the Seventh Five-Year Plan. Over the past five years, the sum of foreign trade and export, foreign capital utilized, and foreign exchange earned from foreign travelers and tourists has doubled and redoubled compared with that during the Sixth Five-Year Plan period.

Hebei Province Personnel Changes Listed

SK1312080690 Shijiazhuang HEBEI RIBAO
in Chinese 11 Nov 90 p 3

[Text] The 17th meeting of the Seventh Hebei Provincial People's Congress Standing Committee adopted a decision on 10 November with regard to accepting the resignation submitted by Jin Qinghe [7246 1987 0735] and Li Zhanshu [2698 2069 2579], members of the provincial People's Congress Standing Committee, and the decision will be reported to the fourth plenary session of the seventh provincial People's Congress.

The namelist of personnel changes approved at the 17th meeting of the Seventh Hebei Provincial People's Congress Standing Committee on 10 November is as follows:

Li Guangshun [2621 0342 7311] was appointed secretary general of the Hebei Provincial People's Government.

Cheng Weigao was appointed concurrent chairman of the Hebei Provincial Economic System Reform Committee.

Gong Linting [6300 2651 1656] was appointed president of the Shijiazhuang Prefectural Intermediate People's Court.

Xie Yuqi [6043 3768 3823] was appointed director of the general office under the Hebei Provincial People's Congress Standing Committee.

Li Shengshi [2621 4939 1709] was appointed chairman of the Financial and Economic Committee under the Hebei Provincial People's Congress Standing Committee.

Zhang Deting [1720 1795 1656] was appointed vice chairman of the Nationalities, Overseas Chinese, and Foreign Affairs Committee under the Hebei Provincial People's Congress Standing Committee.

Yue Qifeng was dismissed from his post of concurrent chairman of the provincial Economic System Reform Committee.

Ma Zhenguo [7456 2182 0948] was dismissed from his post of president of the Shijiazhuang Prefectural Intermediate People's Court.

Zhao Jiyun [6392 4949 0061] was dismissed from his post of concurrent director of the general office under the Hebei Provincial People's Congress Standing Committee.

Jin Qinghe [7246 1987 0735] was dismissed from his post of chairman of the Financial and Economic Committee under the Hebei Provincial People's Congress Standing Committee.

Wang Qun Attends Township Directors Meeting

SK1712075290 Hohhot Inner Mongolia Regional
Service in Mandarin 2300 GMT 16 Dec 90

[Text] The four-day regional meeting of section and bureau directors in charge of township enterprises ended in Hohhot on 14 December. Wang Qun, secretary of the regional party committee; Bu He, chairman of the regional government; and Alatanaoqier, vice chairman of the regional government, attended and addressed the meeting. In their speeches, Wang Qun, Bu He, and Alatanaoqier particularly stressed the necessity of making continued efforts to boost enthusiasm for developing township enterprises in the first place.

Over the past few years, our region's township enterprises have been developed soundly. In addition to accumulating experiences and funds, we have also trained many competent personnel and made contributions to supporting agriculture, increasing the income of peasants, and developing the rural economy. Meanwhile, we have also laid a foundation for our further development. We should also, however, recognize that we have still lagged far behind other localities, and this gap will be big within a short period of time. So, we should continue to exert great efforts to grasp township enterprises, and should continue to grasp it in a down-to-earth manner.

Second, we should enhance our understanding of the strategic status of township enterprises. Township enterprises are the pillars of the rural economy, the only thing that makes the rural areas rich, and an important component of the national economy. Whether township enterprises should be developed quickly or slowly is not at issue. They should be developed quickly. The development of township enterprises should be combined with the realization of becoming better-off and should add luster to socialism and serve socialist modernization. As far as the recent period is concerned, it has close relations with the region's three fighting objectives.

Third, all trades and professions should actively support the development of township enterprises. We should formulate preferential policies for township enterprises.

give the green light for various aspects of township enterprise development. State enterprises should stimulate the development of township enterprises and serve as their supporters. Departments concerned should actively serve township enterprises.

Fourth, the regional party committee and government should strengthen leadership over township enterprises, suit measures to local conditions, and give different guidance according to different cases. Some items should be carried out on a small scale. During their initial stage, we should provide them with great support. Besides, township enterprises have many good examples and experiences. We should pay full attention to them in an effort to promote the development of township enterprises. Meanwhile, we should conscientiously study the experiences of other localities, import more funds and technology, and carry out cooperation, and use opening up to promote development. In addition, we should proceed from the reality, use the market as a guide, and guard against rushing headlong into mass action, following the same pattern or seeking uniformity in carrying out the work. Enterprises should place their internal affairs under mass supervision, carry out democratic management, make their work visible, distinguish between enterprise performance and individual performance, and not stick to the old pattern in particular while selecting, using, and taking good care of trained personnel, be good at discovering and putting to good use their strong points. In addition, they should strictly combine this work with ideological education.

All in all, objectively, our region's development of township enterprises must be accelerated, and subjectively, we have conditions for accelerating their development. Next year, we should strive to develop township enterprises at a rate of 20 percent on the premise of paying attention to economic results in an effort to make a good start in achieving quicker development in the region's township enterprises during the Eighth Five-Year Plan.

Attending the meeting were responsible comrades of various regional committees, offices, departments, and bureaus.

Five-Year Industrial Achievements Reported

SK1512013390 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 13 Dec 90

[Summary] According to the statistical data compiled by the autonomous regional Statistical Bureau, during the Seventh Five-Year Plan period, the region's industrial enterprises have fulfilled the major targets set by the plan from one to four years. During the four years in the Seventh Five-Year Plan period, the accumulated investments in the capital construction projects of the state-run industrial enterprises across the region were 8.326 billion yuan, a 61.12 percent increase over the total of the Sixth Five-Year Plan period. By the end of 1989, the net value of newly increased fixed assets possessed by the completely independent accounting industrial enterprises reached 2.7 million yuan. During the period, the

accumulated profits and taxes handed over by the independent accounting industrial enterprises across the region to the state were more than 12 billion yuan, an increase of 20 percent over the sum of the Sixth Five-Year Plan period. In 1989 the labor productivity of the state-run industrial enterprises was 11,436 yuan, a 25.6 percent increase over 1985. The yearly average increase in this regard is 5.86 percent.

Northeast Region

Sun Weiben Delivers Investigation Report

SK1612074190 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 13 Dec 90

[Text] This morning, Comrades Sun Weiben and Wang Haiyan each gave investigation reports at a report meeting on the special topic of how to conduct general discussion for promoting stable economic development. In his report on leading the Heilongjiang Provincial Economic Observation Group to investigate Shandong and Fujian Provinces, Comrade Sun Weiben first summed up the major characteristics of their economic development and their basic experiences in six aspects. These include the following: In formulating and implementing the economic development strategy, these two provinces persisted in proceeding from the reality and in manifesting local distinguishing features. Once these were determined, they persistently implemented them. In implementing documents stipulated by the higher levels and stipulations set by relevant departments, they combined the implementation with local reality and formulated fewer general directions and vague documents and more on specific measures. When sensitive problems in reform and opening up arose, they dared to undertake certain risks. They persisted in giving guidance in line with the standard of the productive force. In the issues of ownership, they persisted in allowing the coexistence of various economic sectors and gave free rein to developing township and collective enterprises as well as joint, cooperative, and foreign-funded enterprises and the individual private economy. In promoting economic development, they persisted in upholding quality and following the strategy of making brand-name products. They considered high technology as the starting point for development. In organizing and guiding economic work, they never asked for an undeserved reputation but sought actual strength, paid attention to practical work, and strived to seek actual results.

In his investigation report, Comrade Sun Weiben particularly touched on his suggestions for drawing on experiences from Shandong and Fujian. He said: In studying and drawing on experiences from Shandong and Fujian, we must combine the work with our province's actual situation. During the Eighth Five-Year Plan period, starting next year, we should focus on the major gaps in some aspects in economic development and should grasp them with special efforts. This requires our efforts to actively develop township enterprises, and persist in taking public ownership as the main body and in actively

developing collective, individual, and private economies as well as joint, cooperative, and foreign-funded enterprises in cities and towns. It also requires efforts to promote trade, industry, and agricultural simultaneously; perfect the socialized service system in the rural areas; and accelerate economic structural readjustment and technical transformation. During the Eighth Five-Year Plan period, we should help eight impoverished townships eliminate poverty and 50 percent of financially-subsidized counties to be free of subsidies. We should further develop economic and trade relations with the Soviet Union, South Korea, and Taiwan.

At the end of this report, Comrade Sun Weiben touched on the issues of strengthening leadership and organization over economic work and on successfully developing the commodity economy with coordinated efforts.

Governor Shao Qihui presided over and addressed today's report meeting. He called on provincial-level organs and various departments, committees, offices, and bureaus to conscientiously relay and implement the investigation reports of Comrade Sun Weiben and Wang Haiyan. He said: Particular efforts should be made to develop township enterprises, collective, individual, and private economies as well as joint, cooperative, and foreign-funded enterprises in cities and towns as mentioned in Comrade Sun Weiben's report. We should formulate specific implementation plans in line with actual situations in each department and push Heilongjiang Province's economy forward.

More on Report

SK1512152190 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 13 Dec 90

[Text] In the third part of his report on his investigation tour to Shandong and Fujian, Comrade Sun Weiben noted: In studying the experiences of Shandong and Fujian, the most crucial issue involved is to do a good job in studying the experience of Shandong in considering reform and opening up as the main theme, and in developing the commodity economy with coordinated efforts, to enable the leadership force at all levels to form a joint force, to enable all departments and localities to form a joint force, the industrial, commercial and agricultural sectors, as well the urban and the rural areas, and to enable the scientific, educational and economic fields to form a joint force, and to make the broad masses of cadres across the province think about and exert efforts on the same topic. The investigation group suggested that efforts be made to solve the following five issues:

First, we must set a correct focus ideologically. The basic focus of Shandong Province's coordinated commodity economic development is to adhere to one focus, one principle and one criterion. One focus means taking economic construction as the focus; one principle means the principle on upholding party leadership; and one criterion means persisting in the criterion of productive forces.

Second, we must perform our work well. As far as the leading bodies are concerned, they must maintain the continuity of the work of the previous and present leading bodies. As far as working departments of the provincial party committee and the mass and Communist Youth League [CYL] organizations are concerned, they must act in line with Shandong and Fujian Provinces. The organization departments should select the wise and appoint the competent to develop the economy. The propaganda departments should prepare the public for economic development; the United Front Work Departments should serve as a bridge in economic development; and mass organizations should exert efforts toward economic development. The work of all departments and organizations should not depart from economic work and should not affect the relaxed economic control and economic invigoration and the sound economic development. As far as the functional departments in charge of economic and social development work are concerned, all of them play a part in the arena of the local commodity economy. Only through their own performances can they make the play lively. They must not let a red light stop the whole play. All departments should play a role in line with their professional demands and should play their role more briskly in line with the need of the whole play. In the future, while judging the work achievements of all departments, we should examine not only their own professional performance but also how they display their role in promoting the whole province's economic development.

Third, we should invigorate the playing of a game of chess in terms of the operational mechanism. It is necessary to strengthen the coordination mechanism between the party and the five leading bodies, and between the governments and all fronts and departments, and should investigate the setup of organizations and their functions and responsibility.

Fourth, we should coordinate the relations of interests.

Fifth, we should exert the same efforts to carry out work.

Township Enterprises Urged

SK1412035190 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 13 Dec 90

[Text] In the investigation report on Shandong and Fujian provinces, Comrade Sun Weiben said: Our province should actively develop township enterprises. He continued: The higher and lower levels across the province should conscientiously solve the problems of hesitating on developing township enterprises. Party committees and governments at all levels should realistically consider the development of township enterprises as a strategic emphasis and a pressing task during the Eight Five-Year Plan period, the 10-year development period, and a longer period of time in the future, always grasp it firmly and unswervingly, clarify the township enterprise development orientation, use urban areas to lead the rural areas and large areas to guide small ones, coordinate the urban industries with rural industries, readjust

the work division and distribution of urban and rural industries, spread urban industries to rural areas in a planned manner, and divert the essential production factors to the rural areas. In the future, large and medium-sized cities should not develop new rough-processing facilities for agricultural and sideline products but give emphasis to conducting technical transformation in the existing enterprises. In processing agricultural and sideline products, we should spread the processing work to the raw-material production areas in a planned manner and should strive to make township enterprises undertake the processing business.

In referring to collecting funds for developing township enterprises through various channels, Comrade Sun Weiben said: First, we should establish development funds for township enterprises. Second, we should appropriately increase the scope of granting loans to enterprises. Third, we should allow township enterprises to raise funds through their own efforts. Key enterprises, with the coordination of banking departments, may absorb shares or issue bonds. Sun Weiben suggested township enterprises to actively practice the shareholding system, further invigorate business, and strengthen their self-transformation and self-development capacity.

Sun Weiben Discusses Party-School Building

SK2911030990 Harbin HEILONGJIANG RIBAO
in Chinese 11 Oct 90 pp 1, 3

["Excerpts" of speech by Sun Weiben at the provincial work conference on party schools entitled "Vigorously Do a Good Job in Operating Party Schools at All Levels Throughout the Province"; date not given]

[Text] While concentrating on creating the major climate of party building, the central authorities, not long ago, sponsored the conference of presidents from the party schools of various provinces, autonomous regions, and municipalities across the country. Our province's work conference of party schools is aimed at deeply studying and implementing the spirit of the national conference of party school presidents and represents a practical step taken by the provincial party committee for successfully operating party schools at all levels across the province and for realistically and vigorously grasping the work of party building.

At the national conference of party school presidents, General Secretary Jiang Zemin put forward the demand of turning the party school into "three fronts and one smelting furnace"—turning it into the important front of training or training in a rotation manner the party-member leading cadres; into the important front of organizing or fostering the ranks of theoretical personnel; into the important front of studying, researching, upholding, and developing Marxism-Leninism-Mao Zedong Thought; and into the smelting furnace of enhancing the tempering of party spirit. The demand set forth by the CPC Central Committee represents the new

standard of building party schools during the new historical period, which has been put forward by the CPC Central Committee in line with the new situation and from the high plane of enhancing the party's leadership over the undertaking of socialist modernization and of having the socialist cause be inherited by new successors and having the party not change its nature and the country not change its color. The demand has also stipulated the future direction of making efforts to build party schools.

1. We Should Deeply Understand the Strategic Significance of the CPC Central Committee on Turning the Party School Into "Three Fronts and One Smelting Furnace"

First, a demand for opposing "peaceful evolution" and for upholding the socialist road. In the early 1950's, then U.S. Secretary of State Dulles put forward that we should place our hope of restoration on the communist leading personnel of the third and fourth generations. Such an advocacy did not arouse the vigilance of good and honest people that time. Then, it has been totally proven by history that imperialism and international hostile forces have persistently and deliberately engaged in the strategy of "peaceful evolution" and "winning a victory without wars." Through its ideological infiltration, imperialism always attempts to affect or change the developing direction of socialist countries, to have the private ownership come back, and to turn the socialist countries into appendages of capitalist developed countries. The political turmoil which occurred in Beijing Municipality in 1989 represents the mutual collusion between domestic reactionary forces and international hostile forces and a trial of strength between socialism and capitalism in pushing evolution and opposing evolution as well as in engaging in subversion and infiltration and combating subversion and infiltration. Their failure in the trial has made our party seriously think about holding high the banner of Marxism-Leninism-Mao Zedong Thought and upholding socialism. Comrade Jiang Zemin stated: "In view of the new situation and problems in China and in the world as well as of the important duties assumed by our party in building socialism and of the important position occupied by our party in launching the international communist movement, it is necessary for us to regard as a pressing task the work of studying and researching the Marxist basic theories and of studying and exploring under the guidance of Marxism the contemporarily important theoretical issues of politics, the economy, and society. It is also necessary for us to have the pressing task be undertaken by the entire party."

"A Communist Party member who lacks Marxist theory or is not good at applying correct Marxist stand, viewpoint, and method to analyze and solve problems will be unable to bring his functions into play or to become a qualified leading cadre." Therefore, we should generally, systematically, and deeply conduct education on Marxism among cadres at various levels, cultivate personnel with firm Marxism, upgrade the whole party

members' theoretical understanding and political keenness, and ensure that the leadership of the party and state is grasped by the proletarian revolutionaries who are loyal to Marxism. To this end, we must build party schools into bases for cultivating revolutionaries and theoretical workers with firm Marxism.

Second, a demand for improving the ranks of cadres, cultivating a large group of leading cadres and theoretical backbones who are loyal to Marxism, and deeply developing socialist reform. Comrade Jiang Zemin pointed out: "To build socialism with Chinese characteristics, not only must there be a large number of cadres who are loyal to Marxism and competent to manage party, state, and Army affairs, but also a large number of theoretical backbones who are loyal to Marxism." Party schools are schools to study Marxism-Leninism-Mao Zedong Thought. Therefore, party schools are not general places to pass on knowledge of Marxist theory but furnaces of the revolution to use basic Marxist stand, viewpoint, and method to educate cadres as well as to use the party's basic line, theory, and knowledge to arm cadres, upgrade their world outlook, and enhance their party spirit. Over the past years, a large group of young and middle-aged cadres have taken on leading posts. They are well educated and full of vigor and have a spirit of doing pioneering work. The majority of them are reliable. However, a considerable number of them have no high understanding of Marxist theory, fail to participate in the party's practical activities, or have no good party spirit. This situation fully explains the extreme importance of the party school work and the party's ideological and theoretical construction under the new age. Party schools at various levels should realistically undertake the arduous task of using Marxism-Leninism-Mao Zedong Thought to educate cadres. Through education by party schools, we should cultivate a large number of professional revolutionaries who are firmly loyal to Marxism, know how to solve China's practical problems with Marxism, and are able to promote reform and opening to the outside world as well as persist in the socialist road; and a large number of theorists who accurately elucidate and enrich the basic theories of Marxism-Leninism-Mao Zedong Thought and are able to correctly explain and answer various practical problems in China's revolution and construction. We should also organize a rank of theoretical workers who are able to correctly guide theoretical study and resolutely criticize and resist the wrong thinking of bourgeois liberalization.

Third, a demand for strengthening party building, maintaining the advanced nature of the party, and strengthening and improving the leadership of the party. First, a demand for strengthening party building. Whenever the party develops its undertakings to a new stage and sets higher demands on the party's self-construction, the party would set new requirements on party school work. Because party school work is closely connected with party building, it is a key link and an important content to strengthening party building. Only when we attend to

the party school work in the course of grasping party building can we ensure and promote party building. Second, a demand for maintaining the advanced nature of the party. To maintain the vanguard nature of the party's working class under the new age, we should continue to arm our party with Marxism-Leninism-Mao Zedong Thought to have our party become theoretically more mature, ideologically more united, politically stronger, and practically more honest. Thus, party schools must pay full attention to education on party spirit and regard this education as a required course. That is to say, the students, trained by party schools, should not only have a firm Marxist theoretical basis but also possess strong proletarian party spirit; not only study and believe Marxism-Leninism but also practice Marxism-Leninism; and strive to organically link and unite "study and belief with practice." Only by doing so will our party never fade. Third, the demand for strengthening and improving the leadership of the party. Invaded by various nonproletarian ideas and affected by our imperfect construction systems under the condition in which our party is a ruling party, some of our leading party cadres have easily become tainted with impure party spirit, such as violating democratic centralism and abusing their power for selfish ends. All this greatly weakens our party's leadership and damages the prestige of the party. Therefore, party schools must pay full attention to education on the party's fine traditions and work style, strengthen education on making policy decisions, and become more scientific and democratic; educate students to use Marxist stand, viewpoint, and method to guide their activities; improve the leadership of the party; and strengthen the party's leadership over all undertakings.

The development of the situation asks us to build party schools into "three fronts and a smelting furnace." Viewing the reality of the province, we possess the following few conditions.

First, party schools have had an appropriate rank of teaching and research personnel with firm political integrity and strong professional ability. Our province has 163 party schools run by the province, cities (prefectures), counties, and enterprises. There are nearly 5,000 cadres and workers in these schools. Of them, more than 2,300 are teachers. The majority of them are politically strong and adhere to the four cardinal principles. During last year's political disturbances, they consciously acted in unison with the party Central Committee and resisted the thinking of bourgeois liberalization. Most party schools have fairly good teaching facilities, higher teaching quality, and fairly complete branches of education. Some particularly have the advantage in teaching and studying the materials of party building, scientific sociology, and the party's principles and policies. Some even are among the best in the country in terms of their branches of education. A multilayered and multichanneled school-running system has initially taken shape. We can say that our province's party schools have become an important force that cannot be ignored in the

sphere of disseminating, educating, and studying Marxist and Leninist theories as well as a key, irreplaceable front.

Second, party schools' education has advantages of their own. First, party schools should educate and cultivate cadres according to party spirit and the outlook of the party, and cultivate faithful and reliable successors to the party's undertakings. Therefore, party schools' education is closely connected with the work of the party as well as an important component part of party building and construction of the cadres rank. Second, party schools are important departments directly under the leadership of party committees. Therefore, the work of party schools are directly linked with the key work of the party. Through education, party schools will be able to directly imbue their students who take on leading posts with the party's theories, line, principles, and policies. Second, party schools' education is one of the party committees' forces to exercise their leadership. Leading comrades of party committees at various levels are able to regularly go down to party schools to directly get the situation of lower levels from the students, to hear their opinions and suggestions, and to make policy decisions become more scientific and democratic. Through such exchanges and contacts, the students will be able to more comprehensively and deeply understand the whole situation and the key work of the party. That the people from higher levels downward maintain contacts with each other and mutually make progress in the course of party committees exercising leadership is an exceptionally favorable condition for party schools to fulfill their teaching tasks. The comrades who are working at party schools should clearly understand what duties they are undertaking in line with the demand of the situation and their personal favorable conditions, work hard to make progress, and strive to really build party schools into "three fronts and a smelting furnace."

2. In Truly Turning the Party School Into "Three Fronts and One Smelting Furnace," We Should Do a Good Job in Fulfilling the Following Several Tasks

First, we should regard as the fundamental course the work of upholding Marxism-Leninism-Mao Zedong Thought and the party's line, principles, and policies. This represents the strong points of teaching affairs in party schools and the correct direction of party school education. Party schools should not deviate from the direction at any time. The core of demand set forth by the central authorities regarding the "three fronts and one smelting furnace" is aimed at practicing Marxism and applying Marxism-Leninism-Mao Zedong Thought to educating people. A departure from the course of Marxism will enable the party school to lose its characteristics, its significance of existence, and its title of party school.

To uphold the fundamental course of Marxism-Leninism-Mao Zedong Thought, we, at present, should chiefly deepen the study of Marxist philosophy and scientific socialist theories and, by bearing in our minds

the new situation, reinforce the new content of teaching affairs to enable the students to always learn new knowledge and apply new theories. Party committees at all levels should earnestly study the law of cadres' education and, in line with the need at every level, formulate different standardized teaching methods and plans. Meanwhile, they should also vigorously enhance their theoretical research. Whether the party school has achieved high quality in teaching and exerted teaching attraction depends to a large extent on whether it has successfully grasped research work. In order to deepen theoretical research, to score the high standard in and attraction of teaching affairs, and to overcome the vague general direction of teaching affairs, we should bring about a change to the phenomenon in which theoretical research lags behind practice. By coping with the important problems of hot and difficult points cropping up in the current programs of conducting reform, opening to the outside world, and building the four modernizations, as well as with various ideological trends in society, we should accurately pick up the subjects for research and organize the forces to engage in a concentrated way in research on these subjects to give Marxist answers to dealing with these problems. In engaging in research, we should not only uphold Marxism but also develop it and should bring about an organic integration between the work of upholding and developing Marxism. Comrade Deng Xiaoping pointed out: "Deeply studying the new situation and new problems cropping up in realizing the four modernizations across the country and providing answers with important guiding significance for handling these problems would be the great and important contributions made by our ideological and theoretical workers to Marxism." However, "working out the grounds of argument full of convincing power in line with the new and abundant facts" does not represent "the pretended work accomplished by dishing up in a new form and by indiscriminately copying from the old books but truly represents the lofty, creative, and scientific work done by the revolutionary thinkers by vigorously racking their brains." Therefore, party schools should persistently regard Marxism as the fundamental course, make contributions to Marxism, and should work hard or make industrious efforts to engage in the creative work of theories.

Second, we should uphold the schooling principle of integrating theories with reality and follow the road in which "teaching affairs, scientific research, and social surveys are being combined." Party schools should regard teaching affairs as a center, scientific research as a foundation, and social surveys as a guarantee of implementing the principle of integrating theories with reality and of upgrading the standards of teaching affairs and scientific research. Persistently following the road in which teaching affairs, scientific research, and social surveys are being combined represents an effective way to implement the principle of integrating theories with reality. All students of party schools come from the forefront of practice. Therefore, party schools should be the best center of integrating theories with practice. They

should lead and organize the students to earnestly summarize their ideological and working realities and the experience gained by the masses in practice and to merge their realities and the masses' experience with the laws of theories on the one hand; and should organize their teachers and cadres on the other and to go deep among the students and society to carry out investigation and study in line with the problems of hot and difficult points cropping up in the programs of conducting reform, opening to the outside world, and building the four modernizations and to apply the Marxist basic stand, viewpoint, and method to analyzing or answering the questions cropping up in their teaching operation and to enriching their teaching affairs of theories.

To persist in integrating theory with practice, we should also implement the principle that "education should be geared to the needs of modernization, of the world, and of the future" as put forward by Comrade Deng Xiaoping. The education of party schools should be able to guide the students not only to provide answers to current questions of our country but also, in face of the turbulent and changing world situation and the future development in the communist movement, to continuously expand their field of vision, enhance their analyzing ability, insight, and ability to oppose peaceful evolution, and steel their confidence that communism will succeed.

Third, we should greatly intensify efforts to improve the teachers contingent of party schools. This is the foundation and prerequisite for building party schools into "three fronts and one furnace." Teachers and cadres should have higher levels in Marxist theory, and set an example in tempering themselves to enhance their party spirit. For this reason, first of all, we should greatly strengthen the ideological and political work of party schools, and guide cadres and teachers to work hard to transform their world outlook. Because ideological and political work was weakened previously, transformation of world outlook was not talked about for quite some time. As a matter of fact, everyone should transform his world outlook. As the objective world is changing, and things are complicated, our cognitive ability should be transformed and improved. Otherwise, our subjective understanding cannot possibly conform to objective reality, and there will be no unity between the subjective and the objective. When transforming their world outlook, cadres and teachers of party schools should take the proletarian stand firmly, uphold the four cardinal principles, oppose bourgeois liberalization, be loyal to Marxism and the party's cause of cadres education, and spare no effort in the performance of their duties.

In addition, we should organize teachers in a planned manner to conduct advanced professional study, and to temper themselves by assuming grass-roots posts or to participate in social investigations. Teachers of party schools should go often to the reality of life to conduct investigations and study in addition to making efforts to master Marxism and lay a solid foundation for their theoretical proficiency. This is a need in the education of party schools and also one in improvement of the

teachers' political and ideological quality. Because most of the students are leading cadres, teachers of party schools should have a more profound understanding of practical work and some organization and leadership ability in order to fulfill their teaching tasks. This issue may be resolved through the practice of sending teachers to temper themselves by assuming grass-roots posts in a planned manner.

Fourth, we should pay close attention to the fundamental issue of education on party spirit, and greatly push the students' ideological and political work forward. Party schools at various levels should conscientiously explore the law governing the students' ideological and political work and, in line with the requirement for building party schools into a big furnace, gradually formulate a whole set of feasible measures and plans for the education on party spirit. The fundamental task of education on party spirit is to train personnel who meet five requirements as Comrade Jiang Zemin has said. To achieve this: 1) We should have sufficient and strong personnel for ideological and political work among the students, and select the comrades with strong party spirit and good work styles to take charge of classes; 2) we should make ideological and political work suit our purposes and be scientific; 3) we should pay attention to "three combinations." The first combination is one of the efforts to temper students to enhance party spirit with their study of Marxism and Leninism. This is the major way for party schools to enhance the students' party spirit. Only when the students study well Marxism and Leninism can they distinguish right from wrong, and firmly uphold the socialist orientation in the storms of political struggles; can they correctly implement the party's basic line; can they bear firmly in mind the purpose of serving the people, be honest in the performance of duties, and work diligently to serve the people; and can they take the overall situation into account, and defend the party's unity and solidarity. The second combination is one of the efforts to temper students to enhance their party spirit closely with the day-to-day activities of party schools. People who study at party schools are students no matter what their original posts are, and should demand themselves according to party spirit and principles, and strictly meet the party spirit standards in their activities of reading books, conducting study, attending classes, and observing school discipline and regulations. This is also a specific manifestation of integration between theory and practice. The third combination is one of the students' efforts to temper themselves to enhance party spirit with their efforts to conduct well the regular activities of their organization. We should strictly enforce the system of conducting regular activities of the organization, maintain the good quality of the "three meetings and one class," and guide the students to earnestly summarize experiences and lessons with the spirit of rectification and in line with the realities of their ideology and work, and conscientiously conduct criticism and self-criticism. Only by so doing can party schools become a furnace for tempering cadres

to enhance their party spirit, and train more qualified party and government cadres.

3. Party Committees at Various Levels Should Strengthen Leadership Over the Work of Party Schools.

To whether party schools can be built into "three fronts and one furnace," the key lies in the leadership of party committees at various levels.

First, party committees at various levels should enhance understanding, and include this work in their agenda. A. Party committee leaders at various levels should enhance their understanding of the position and role of party schools. They should understand the particular important role of party schools in training cadres, and the requirements for "three fronts and one furnace" as put forward by the party Central Committee from the strategic perspective of training reliable successors to the socialist cause, and ensuring that leadership power at various levels of the party and the state is placed in the hands of people loyal to Marxism, and from the strategic perspective of upholding the socialist road, opposing peaceful evolution, and preventing the party and the state from changing their color.

The guidepost for party committees to attend to the work of party schools should be set up on the basis on "building fronts" and "building furnace." Training of cadres is not only a pressing but also a long-term task. We should take the overall situation into consideration, overcome the pragmatic attitude of "making quick attack" and "gaining immediate benefits," and exert earnest efforts in the long-term tasks of improving the teachers contingent and systematizing and standardizing the education of party schools to greatly raise the training quality of party schools. B. We should educate cadres to embrace the idea that "it is an honor to study at a party school." The growth of cadres depends not only on their experiences in practice but on higher theoretical accomplishment. We should support cadres, particularly principal leading cadres, to study at party schools. We should educate cadres to understand the importance of study, raise their awareness in study, and change the idea that "they want me to study" into an idea that "I want to study." Conscientiously summarizing their ideas and work and upgrading their theoretical level after a period of work, cadres are able to clarify their train of thought, and turn their blind action into voluntary action, and their confused minds into sober minds. This is a very significant thing. Party committees should create a good external environment and the atmosphere that "it is an honor to study at party schools," and change the past practice of "learning from Standing Committee members," "learning from county heads," and "learning from section chiefs." Organization departments should enforce the system of evaluation of cadres' study and, after investigations and study, organization departments, propaganda departments, and party schools should set forth a series of standards in cadres' Marxist-Leninist theoretical quality needed in their posts, and standards in tempering cadres to

enhance their party spirit. How the cadres reach the standards should be realistically evaluated. In the future, young and new cadres will not be promoted if they have not studied at party schools. Cadres' study should be taken as a major criterion for their evaluation. C. Party committees at various levels should put the party school work on their work agenda and study the work at least twice every year. Party committees should realistically regard party schools as an important work department, and should personally take up and directly guide the work. At the same time, we should provide convenient conditions for the personnel of party schools to attend meetings and read documents. Under the leadership of party committees, we should make a unified plan for cultivating cadres of various categories at various levels in the next few years. According to the central work tasks, party committees should often set requirements for party schools' teaching work focuses and theoretical study orientation; give instructions in a timely manner; and be sure to "grasp the orientation, set questions, set requirements, and be diligent in giving instructions" to closely link the education of party schools with their practical work and to better implement the principle of linking theory with practice.

Second, leading comrades of party committees at various levels should often go to party schools to give lectures and hold forums. This is our party's glorious tradition of attending party school work. Studying and discussing some important problems related to the current work with party school students is a good chance to disseminate, study, and implement the party's central work, a major way for getting in touch with lower-level cadres, understanding the situation of lower levels, and deepening and straightening out the practice of thinking, and the only method for assessing cadres. We should be concerned with the transfer and admission of students to maintain a high educational efficiency of party schools.

Third, we should attend to the construction of leading bodies for party schools. Secretaries or deputy secretaries of party committees may hold the concurrent post as presidents of party schools at the same levels. Executive vice presidents who take charge of party schools' practical work should not only have a comparatively profound theoretical understanding but also possess richer practical work experiences and the ability in guiding leading bodies. In organizing the leading bodies of party schools, we should not only pay attention to the educational structure but also the practical work experiences. Party school leaders may be arranged to work at the main work posts. Meanwhile, we should provide manpower and material and financial resources to support the construction of party schools and to help party schools improve their school-running conditions in a step-by-step manner. We should also further improve and strengthen the systems of party schools. Party schools at higher levels should give professional work guidance to party schools at lower levels.

Fourth, the departments on the ideological front should maintain close cooperation with party schools. Party

schools should work in close cooperation with propaganda departments, federations of social sciences, newspaper offices, television stations, and publication houses; initiatively cooperate with the focus of the party's propaganda work; and positively engage themselves in propaganda and study work. Propaganda departments should let the personnel of party schools attend their propaganda and theoretical work conferences. Publication departments should continue to positively support party school teaching and research personnel to publish and disseminate high-quality works on Marxism, Leninism, and the party's line, principles, and policies. In short, the departments in charge of the ideological work should closely cooperate with party schools; and help party schools bring into full play their role as a front of studying, researching, persisting in, and developing Marxism and Leninism and a front of organizing and cultivating the rank of theoretical workers.

Quan Shuren Speaks at Party Discussion Class

SK1112060690 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 10 Dec 90

[Text] The 15-day study and discussion class sponsored by the provincial party committee and attended by the secretaries of party committees of rural areas or at county, county-level city, and district levels concluded in the city of Shenyang on 10 December.

During the class, the secretaries-in-training concentrated their efforts on earnestly studying scientific socialism and the theories of party building. Firmly keeping reality in mind, they held a discussion on the difficult points and hot issues currently cropping up in theories, achieved better results in the discussion, and achieved the desired goal.

Attending the closing ceremony of the class and holding discussions to exchange opinions with the participating secretaries-in-training were Quan Shuren, secretary of the provincial party committee; Shang Wen, deputy secretary of the provincial party committee; Zhang Guoguang, secretary of the Shenyang City party committee; and Guo Feng, member of the Central Advisory Commission and the former first secretary of the Liaoning provincial party committee.

Shang Wen, deputy secretary of the provincial party committee, delivered a summary speech at the closing ceremony. In his speech, he stated that through the study of scientific socialism and the theories of party building, the participants clearly discerned the general historical trend of socialism's being bound to defeat capitalism; they further mastered the law of historical development, discerned the long-range nature of the developing period of socialism and the certainty that China must take the socialist road. They enhanced their concept of waging class struggle and their consciousness in improving their world outlook, and heightened their understanding of the importance of strengthening party building under the new situation. In his speech, he urged the comrades attending the class to take the lead in studying theories

while working in the future, and urged them to do a good job in organizing members of their leading bodies and cadres' ranks to study theories.

In voicing his opinions during the discussion, Quan Shuren, secretary of the provincial party committee, pointed out that in studying theories, we should firmly bear in mind the current fact of international hostile forces which are intensifying their scheme of peaceful evolution, the experience and lessons gained in combating bourgeois liberalization, and the reality of our work and ideology; we should fully discern the importance of studying socialism and the theories of party building; and should enhance our consciousness in study.

In voicing his opinions, Quan Shuren stated that every Communist Party member should keep a cool head, clearly discern the protracted nature and arduousness of the struggle, and should be well prepared ideologically to wage a long struggle. The key to whether we can hold the large banner of socialism on a long-term basis lies on whether we can uphold and enhance the party's core leadership, uphold the party's nature of working class vanguard, uphold the party's democratic centralism, and whether we can use Marxist thinking to firmly occupy the ideological front.

During the discussion, Comrade Guo Feng, a veteran leading person, urged the participating comrades, in the course of studying theories, to master the method of enhancing the tempering of party spirit, to consolidate or foster proletarian world outlook, and to do a good job in their work.

Liaoning Committee Views Agricultural Production

OW1612013090 Beijing XINHUA Domestic Service in Chinese 0852 GMT 14 Dec 90

[By reporters Lei Runming (7191 3387 2494) and Chen Baoyu (7115 1405 3768)]

[Text] Shenyang, 14 Dec (XINHUA)—The second (enlarged) plenary session of the Seventh Liaoning Provincial CPC Committee, which closed today, specifically discussed the issues of agriculture and rural work for the first time in the history of the provincial CPC committee. Participants at the meeting agreed that Liaoning, although an industrial province, should also treat agriculture as the foundation of the province, and put in great efforts in developing agriculture. Agriculture and rural work should never be neglected just because of heavy industrial production tasks and financial difficulties. On the contrary, we should bring the province's advantages of a solid industrial foundation into play and create material and technological conditions to invigorate agriculture throughout our province.

During the three-day meeting, members of the provincial CPC committee seriously analyzed the development of agriculture in our province and discussed the lesson of suffering sluggish agricultural production experienced by

the province since reform and opening to the outside world. They noted that a bumper harvest year means better days for people and also has a positive effect on industrial and urban development. The lesson of being forced to pay attention to agriculture because of a poor harvest and the lesson of neglecting agriculture because of a good harvest has been difficult.

Liaoning reaped a bumper harvest this year. Its rural economy experienced growth in all areas. Grain and soybean production throughout the province reached 14.95 billion kilograms, an all-time high. The gross agricultural output value was 11.5 billion yuan, an increase of 10 percent over last year. The total rural social output value was 72 billion yuan, up 6.6 percent from last year. Per capita farmer income was 780 yuan, a rise of 5.4 percent over last year. The development of agriculture and the rural economy serves as a guarantee for the stability of the overall situation. Therefore, members of the provincial CPC committee said: Practice again proves that agriculture has a unique and important significance to a province like Liaoning, which is an industrial province with many cities, a heavy industrial proportion, and a large nonagricultural population. If agriculture is not developed, it will be difficult to achieve a stable overall situation; industry will also be difficult to develop. We should learn from these lessons. We must not again make the mistake of "forgetting the pain when the wound is healed." Instead, we must constantly strengthen leadership over agricultural and rural work. The provincial CPC committee must take the lead in paying attention to agriculture. Leaders at all levels of party and government organs should stress agriculture; they must pay equal attention to industry and agriculture and urban and rural work. Various trades and professions should foster the idea of supporting and serving agriculture and should help to promote agriculture.

Adhering to a definite guiding thought, participants at the meeting discussed the goals, principles, and policies of agricultural development throughout the province in the future. Next year will be the first year of the Eighth Five-Year Plan, and there will be much to be accomplished. Still, there is a need to highlight the importance of agriculture. Participants at the meeting called on the people in the province to foster further the idea of great agriculture [da nong ye 1129 6593 2814]; help promote the comprehensive development of agriculture; bring about the comprehensive development of agriculture, forestry, animal husbandry, sideline agricultural products, and primary, secondary, and tertiary industries; closely integrate economic, social, and ecological benefits and interests; strive for intensive and extensive agricultural development; and ensure the effective supply of grain and other agricultural sideline products.

Session Concludes

SK1512043790 Shenyang Liaoning Provincial Service
in Mandarin 1030 GMT 13 Dec 90

[Text] The second plenary session of the Seventh Liaoning Provincial CPC Committee concluded in Shenyang this morning. After conscientiously studying the

relevant documents of the party Central Committee and the State Council, the participants particularly discussed agriculture and rural work. Through animated discussions, they unanimously approved the report entitled "Enhance the Idea of Taking Agriculture As the Foundation, Stabilize Rural Policies, Intensify Efforts To Improve Rural Work, and Consolidate and Develop the Excellent Rural Situation" given by Quan Shuren, secretary of the provincial party committee.

Comrade Quan Shuren's report is composed of five parts: 1) correctly understand the rural situation, and enhance the idea of taking agriculture as the foundation, 2) strive to change production conditions, accelerate agricultural development, improve the capacity for comprehensive agricultural production, and increase the rural economic strength, 3) stabilize basic rural policies, and continue to deepen the rural reform, 4) conduct the socialist ideological education, and consolidate the rural socialist fronts, and 5) strengthen construction of rural party grass-roots organizations, and fully develop their role as fighting bastions.

After summarizing our province's achievements in agricultural production scored in the past few years, and especially this year's overall agricultural bumper harvest, Comrade Quan Shuren pointed out: The Eighth Five-Year Plan period will be an important period for the development of the rural areas and agriculture of our province. Attaching importance to and strengthening agriculture is not only a demand on agricultural development itself but a need to guarantee comprehensive accomplishment of the Eighth Five-Year Plan and even the goal of redoubling the national economy and achieving a relatively comfortable standard of living ahead of schedule in the next 10 years. We should further enhance understanding of the position of agriculture as the foundation. Our past experiences and lessons showed that we were more liable to neglect agriculture and rural work when bumper agricultural harvests were reaped. We must never take the same disastrous road of forgetting the pain when the wound is healed. We have no reason whatsoever to neglect agriculture, and should never do so. On the contrary, we should attach more importance to agriculture, and conscientiously strengthen leadership over agriculture and rural work. Starting with the province, principal party and government leaders at various levels should attach importance to agriculture, and attend to industry and agriculture simultaneously, and urban and rural work simultaneously. We should further mobilize the people throughout the province to create a new upsurge in attaching importance, strengthening and supporting agriculture with the guidance of the party's basic line to ensure sustained and stable development in our province's agricultural economy.

Speaking on how to improve agricultural production conditions more quickly, and do a good job in comprehensive agricultural development in the future, Quan Shuren pointed out: In the past few years, our province developed many farmland capital construction projects.

A considerable number of them, however, have not yielded returns or have yielded few returns due to a lack of supporting facilities. Therefore, in the future, we should emphasize the maintenance and renewal of the existing water conservancy projects, and provide them with supporting facilities so that they can yield duly returns. All localities should establish and improve agricultural investment systems. Local financial departments at various levels should increase their investment in agriculture every year. The plans arranged by governments at various levels should reflect the policy of giving special emphasis on agriculture. Credit funds for agriculture, especially loans for developmental projects, should also be increased. We should actively use foreign capital, win the support of international monetary organizations, and fully boost the enthusiasm of rural cooperative economic organizations and peasant households for increasing agricultural investment. We should establish and improve the mechanism regulating land investment, and the investment made by collectives and peasant households should be defined in their contracts so that it can be ensured. We should further embrace the idea of large-scale agriculture, facilitate comprehensive agricultural development, and promote the comprehensive development of farming, forestry, animal husbandry, sideline production and fishery, and the first, secondary, and tertiary industries. Our province's natural conditions are conducive to grain production as well as the development of diversified production. Therefore, we should pay attention to the production of such cash crops as cotton and oil-bearing crops, the development of fruit and native and special products, breeding of aquatic products and fishing in coastal areas, the food basket project, and construction of the bases for production of export farm and sideline products in line with specific conditions. We should particularly attach importance to the intensive processing of farm and sideline products to expand the utilization of resources, and turn the advantage in resources into the advantage in commodity production. We should develop some pillar industries in some localities and agriculture oriented industries to earn foreign exchange.

Speaking on our province's tasks for developing agriculture through science and technology, Quan Shuren pointed out: We should further establish and improve the agrotechnology popularization organizations at various levels, and give full play to the role of the various rural science popularization organizations and science and technology demonstration households. We should continue the policy of relaxing control and invigorating colleges and universities, scientific research units, and scientific and technical personnel, and encourage them to go deep into rural areas to pass on technical skills to peasants, give compensated technical service, and sign comprehensive scientific and technological contracts aiming at realizing high- and stable-yields in large areas.

Speaking on township enterprises, Quan Shuren emphasized: Actively developing township enterprises is the key to increasing the rural economic strength, and promoting comprehensive development in the rural

economy. In the township enterprise development of our province, township enterprises should coordinate their efforts to carry out intensive processing of farm and sideline products and develop mineral products with their efforts to serve urban large and medium-sized enterprises and cooperate with them in developing and processing industrial products. The counties and townships in the areas along the Shenyang-Dalian Expressway should make use of their superior conditions in opening to the outside world and in communications and transportation facilities to achieve development bravely. Based on their specific conditions in resources and raw materials, other localities should also take township enterprise development as the focus of the rural economic work, and strive to achieve substantial development within a short period of time.

Speaking on stabilizing the basic rural policies, and continuing to deepen the rural reform, Comrade Quan Shuren emphasized: The series of basic policies on rural work formulated since the third plenary session of the 11th party Central Committee have won the support of the vast number of peasants, and constitute a tremendous force to boost and protect their enthusiasm. Therefore, we should reiterate that the basic policies will be stabilized and not changed. The multiform responsibility system with household output-related contracts as the major form, and the dual management system whereby unified management is combined with separate management will not change, nor will the policy of allowing some localities and individuals to achieve prosperity ahead of others while aiming at common prosperity, the principle of actively developing diversified production while never slackening efforts in grain production, the purchasing and marketing policy of applying both the planned economy and market regulation to major farm and sideline products, the policy to encourage and support township enterprise development, and the policy of allowing the coexistence of the various sectors of the economy while making public ownership predominant, and allowing private and individual economic units to do businesses and develop according to law.

In his report, Comrade Quan Shuren expounded in detail the importance and necessity of the socialist ideological education in rural areas. He pointed out: The socialist ideological education in rural areas should be focused on the development of the socialist economy in rural areas, and should emphasize the education in four aspects and the construction in three aspects. The four aspects of education are 1) the education in the superiority of the socialist system and in adherence to the socialist orientation in order to enable people to have firm faith that only socialism can develop China, and enhance their confidence in developing the collective economy and taking the socialist road leading to common prosperity, 2) the education in the rural reform and the party's current policies to keep the party's rural policies consistent and stable, 3) the education in the socialist democracy, legal system, and morality to raise the ideological and moral levels of peasants, and 4) the

education in party leadership and party building to fully develop the role of the party as a leadership core, the role of party branches as fighting bastions, and the role of party members as vanguards and models, and to educate cadres to embrace the idea of serving the people wholeheartedly, improve their way of thinking and work methods, maintain close party-populace and cadre-populace ties, and lead the masses to rely on their own efforts and work hard to build a new socialist countryside. The three aspects of construction we should successfully carry out are as follows: 1) We should do a good job in the socialist economic construction in rural areas, continue to deepen reform, and develop a planned commodity economy. 2) We should do a good job in the construction of the rural socialist ideological and cultural fronts, and carry out the activities to build civilized villages. 3) We should strengthen the construction of village-level organizations with party branches as the core, of which the key is to successfully straighten out and build the leading bodies of party branches.

In conclusion, Quan Shuren pointed out in his report: The party's tasks for rural work are very arduous in the new period. The key to whether the tasks can be fulfilled, in the final analysis, lies in whether grass-roots organizations can truly fulfill the tasks. Rural party branches should hold the responsibility as the leadership core, implement the party's line, principles, and policies, and the decisions of higher authorities, lead the masses to develop the rural economy, adhere to the socialist orientation, and take the road leading to common prosperity.

Northwest Region

Song Hanliang Addresses Rural Production Meeting

OW1612234690 Urumqi Xinjiang Television Network
1400 GMT 15 Dec 90

[From the "Xinjiang News" program]

[Text] The autonomous regional party committee held a meeting this morning to mobilize rural work groups to work in rural areas in 1991. Song Hanliang, secretary of the regional party committee, delivered an important speech at the meeting. In accordance with the guidelines of the regional party committee on important work measures for this winter and next spring, the autonomous regional party committee and the autonomous regional people's government have decided to select 18,000 cadres throughout the region, organize them into work groups, and send them into rural and pastoral areas to promote work, stability, and development this winter and next spring. Many units have responded enthusiastically to the decision on forming rural work groups. Cadres have signed up enthusiastically. More than 500 cadres from regional-level departments have been selected. [video shows Song Hanliang, seated, delivering a speech at a meeting. The camera also shows panned shots of other regional leaders seated at a long table facing other meeting participants in a meeting hall.]

In his speech, Comrade Song Hanliang said: Agriculture is the foundation of the national economy. How rural work is accomplished directly concerns social stability and the development of the national economy. The work groups organized this time will have to carry out five main tasks:

First, they should deepen education on socialist ideology. This means they should conduct education on the party's basic line, patriotism, socialism, collectivism; on the need to safeguard national unification and to oppose national splittism; and on party policy on nationality and national unity among cadres and the masses in rural and pastoral areas, stressing education among party members and cadres.

Second, they should strengthen building grassroots organizations in rural and pastoral areas. That is, they should strengthen building organizations with the township and town party committees as the core, building village-level organizations with the village party branches as the core, and improve the efficiency of weak and lax grassroots organizations.

Third, they should guide and advance reforms in rural and pastoral areas, paying special attention to stabilizing and improving the various forms of the responsibility system with the household contract system of linking output with remuneration as the dominant system, improving the double-track operational system, and vigorously strengthen and improve socialized service organizations.

Fourth, they should do a good job in agricultural and livestock production, help and guide various areas to build farmland capital construction centered around the construction of water conservation projects, implement all production plans and measures to increase production, make preparations for farming, combat calamities and protect the livestock, and ensure success in agricultural and livestock production for this winter and next spring.

Fifth, they should pay attention to improving elementary and middle schools in rural areas. This should be done by improving the leading bodies of schools and by training more teachers. Interference in education by religion must be strictly banned.

Comrade Song Hanliang said: These tasks are heavy and arduous. Comrades working in work groups should regard working at grassroots organizations as an honor and responsibility and work under the leadership of the local party committees. Work groups should carry out their work in light of local conditions, rely on cadres and the masses, enthusiastically help them solve practical problems, carry out their tasks, improve the region's rural work, and bring about a new situation in the region's rural and pastoral work in 1991.

Li Shoushan, deputy secretary of the autonomous regional party committee, presided over the meeting. Also attending the meeting were Tomur Dawamat,

Amudun Niyaz, Yusufu Muhanmode, and leading comrades of the Production and Construction Corps. Amudun Niyza made a special report on improving grassroots party organizations in rural areas.

Tomur Dawamat Chairs Xinjiang Production Meeting

OW1612204090 Urumqi Xinjiang Television Network in Mandarin 1400 GMT 7 Dec 90

[By reporter (Li Zhicheng) from the "Xinjiang News" program]

[Text] Yesterday, Tomur Dawamat, chairman of the Xinjiang Autonomous Regional People's Government, presided over a meeting on industrial production and heard a report given by Duan Zhenting, chairman of the regional economic commission, on the situation with regard to completion of industrial production from January to October this year. [video opens with shots showing Tomur Damawat sitting at one end of a conference table and cuts to show a number of attendees seated on both sides of the table]

From January to October this year, the Xinjiang Uygur Autonomous Region achieved a total industrial output value of 118,500 million yuan, an increase of 7.60 percent against the same period last year, having completed 95.10 percent of the target for the year. The situation concerning industrial production throughout the entire region shows an upward trend. To date, the gap between production and sales has been serious. The stockpiling of some dominant products in the region is serious, and results in the tying up of a large sum of money, causing pressure on industry. If we do not do a good job in selling products, it will have an adverse effect on the industrial production in our region next year.

In this regard, Tomur Damawat said: The various relevant departments must do a good job in the procurement and sales of products, especially refined sugar, in the region. We must help the enterprises overcome their difficulties and make adequate preparation for next year's production. Financial institutions must strive to solve the funding problems of industrial production. At the same time, we must study the market situation for next year, readjust the product mix, coordinate with the on-going contract system and do a good job in readjustment of the production structure. Commercial departments and supply and sales departments must bring the merchandise to the rural areas and open up rural markets. The current situation of production is very good, but we must improve the sales of products and solve the problem of stockpiling of products.

Zhang Sixue, deputy secretary of the regional party committee, and Jin Yunhui and Hederbai, vice chairmen of the regional people's government, attended the meeting.

Xinjiang Rural Education To Stress Patriotism

OW1612230390 Urumqi Xinjiang Television Network in Mandarin 1400 GMT 8 Dec 90

[From the "Xinjiang News" program]

[Text] The Propaganda Department of the Xinjiang Regional Party Committee set forth a proposal today for developing a rural socialist education campaign during this winter and next spring in all farming and pastoral areas of this autonomous region. The proposal says that emphasis should be placed on educating peasants and herdsmen in patriotism, collectivism, and socialism, and such education should be centered on the requirement of keeping to the socialist road. They will also be educated in the necessity of strengthening national unity and opposing national splittism. Through this education, it is hoped that the peasants and herdsmen of all nationalities will be made aware of the enormous changes resulting from the 10 years' reform, the current excellent situation in the countryside, the various rural policies carried out by the party, and their own obligations and responsibilities to the state and collectives. It is also hoped that the education will enhance their awareness of socialism and collectivism and reinforce their determination to safeguard the unification of the motherland and strengthen unity. This will help make even closer the relations between the party and the masses of peasants and herdsmen; deepen the reform and the building of the two civilizations in the countryside; and lead the peasants and herdsmen to shake off poverty, become better off, and take the socialist road with firm determination.

According to the proposal, in developing this socialist education, it is imperative to take into account the actual state of mind of peasants and herdsmen so that the education will aim at specific objectives and will be convincing. Attention should be paid to the effectiveness of education, while empty discourse should be avoided. Peasants and herdsmen should be required to meet different demands in accordance with their different conditions. Wide publicity should be given to the deeds of local advanced individuals and advanced units so that they may be used as typical examples to lead the way and their good experience may be disseminated. In addition, it is necessary to carry forward the spirit of self-reliance and hard struggle and to integrate the socialist education campaign closely with agricultural and livestock production, the deepening of rural reform, and the strengthening of grass roots organizations.

Reunification Committee Meets Taiwan Group*OW1512052190 Beijing XINHUA Domestic Service
in Chinese 1133 GMT 14 Dec 90*

[By reporter Wang Zhi 3769 3589]

[Text] Beijing, 14 Dec (XINHUA)—The Chinese People's Political Consultative Conference's (CPPCC) Committee for Reunification of the Motherland held a discussion meeting with Taiwan's "Delegation of Public Policy and Academic Exchanges Across the Strait" today in the CPPCC auditorium.

Cheng Siyuan, vice chairman of the CPPCC and the Committee for Reunification of the Motherland, welcomed the Taiwan guests. He said: People on both sides of the strait should treat one another with sincerity. They should fully exchange their views to clear up their misunderstandings, establish a common understanding, and promote the reunification of the motherland.

Cheng Siyuan and other participants at the meeting also briefed the Taiwan guests on multiparty cooperation under the leadership of the Communist Party, as well as the CPPCC system implemented on the mainland.

Zhu Gaozheng, (Chu Kao-cheng), head of the visiting delegation said: The separation of the two sides of the strait for the past four decades has made us pretty unfamiliar with the mainland. The purpose of the present visit to the mainland is to have a better understanding and rapport.

Standing Committee members of the CPPCC including Yang Zhengmin, Jia Yibin, Ma Dayou, Fang Rongxin, Feng Tiyun, Lin Hengyuan, and Zhu Zuolin, deputy secretary general of the CPPCC, attended the meeting.

The visiting delegation arrived in Beijing on 10 December.

Official Meets CPPCC Delegates*HK1512062390 Beijing ZHONGGUO XINWEN SHE
in Chinese 1249 GMT 14 Dec 90*

[Report: "Chu Kao-cheng Holds Unofficial Discussion Meeting With Members of the Chinese People's Political Consultative Conference National Committee"—ZHONGGUO XINWEN SHE]

[Text] Beijing, 14 Dec (ZHONGGUO XINWEN SHE)—A "Taiwan visiting group for study of public policies and academic exchange between the two shores of the Taiwan Strait," headed by Chu Kao-cheng, today attended an unofficial discussion meeting with the Chinese People's Political Consultative Conference [CPPCC] Motherland Reunification Committee to look at the role and activities of democratic parties on the mainland.

Cheng Siyuan, vice chairman of both the CPPCC National and the Motherland Reunification Committees, said: People on both sides of the Taiwan Strait

should be frank with each other and have a thorough exchange of views on the issue of the motherland's reunification. He hoped the unofficial discussion meeting would help clear up misunderstandings and develop a common understanding, thus giving an impetus to the joint efforts for the motherland's reunification. Cheng Siyuan and some others who attended the meeting briefed the visiting group on the multiparty cooperation and political consultative system under the CPC's leadership currently practiced in Mainland China.

Chu Kao-cheng expressed his hope that their current visit to the mainland will enable them to better understand the mainland and strengthen communication between the two sides.

The 18-member visiting group arrived in Beijing on 10 December. During their stay in Beijing, group members attended unofficial discussion meetings with the Taiwan Democratic Self-Government League, the All-China Federation of Taiwan Compatriots, the Chinese Academy of Social Sciences Taiwan Research Institute, the China Council for the Promotion of International Trade, and the CPC Central Party School. They also visited the Supreme People's Court.

The visiting group will leave Beijing for Xian and Xiamen on 16 December to continue their tour.

Present at today's unofficial meeting were members of the CPPCC National Committee Standing Committee: Yang Zhengmin, Jia Yibin, Ma Dayou, Fang Rongxin, Feng Tiyun, and Lin Hengyuan.

Taiwan Visitors Promote Reunification*OW1412225190 Beijing XINHUA Domestic Service
in Chinese 1143 GMT 14 Dec 90*

[Text] Nanjing, 14 Dec (XINHUA)—Information released by a recent seminar in Suzhou, which was sponsored by the Exit and Entry Management Bureau of the Ministry of Public Security, indicates that the number of Taiwan compatriots visiting the mainland for family reunions, sightseeing, business, or permanent residence has increased year after year. According to statistics, a total of 1.789 million Taiwan compatriots visited the mainland in the three years between November 1987 and October 1990. In the first 10 months of this year, Taiwan visitors to the mainland numbered 799,000, compared to 15,600 for the entire year of 1986. This trend of rapid increase is still continuing.

A senior official of the Exit and Entry Management Bureau pointed out: The entry of Taiwan visitors to the mainland is characterized by the following: First, initially visitors were mostly Taiwanese of mainland origin coming here for family reunions. Since May 1988, the number of tourists and businessmen has increased markedly. This year, the number of Taiwanese visiting relatives in the mainland accounted for only five percent,

while tourists accounted for 92 percent. Second, the number of native Taiwanese has increased from 43 percent of the total visitors in 1988 to 58 percent this year. Third, the number of Taiwan visitors to the mainland who were born after 1949 has increased to 64 percent of the total this year from 26 percent only a few years ago.

According to a briefing, the purpose of Taiwan visitors has been gradually changed from mainly arriving for family reunions to visiting for sightseeing, trade negotiations, investment, and cultural and sports exchanges, and they have come with families and friends instead of individually. The number of group tours is on the rise.

At the seminar, officials of the relevant departments expressed the belief that exchanges of personnel between the two sides of the strait can help promote mutual understanding and peaceful reunification of the motherland, as well as lay the foundation for developing economic and trade relations and exchanges in various fields between the two sides. The mainland has done tremendous work to make things more convenient for Taiwan visitors coming to the mainland for family reunions, tourism, or business. In order to facilitate matters for Taiwan compatriots who want to invest, set up factories, or conduct business and trade activities in the mainland, the Shenzhen, Zhuhai, and Shantou special economic zones inaugurated the issuance of multiple entry and exit documents to Taiwan visitors, a practice that was later introduced to all provinces, autonomous regions, and municipalities across the country, as well as the Xiamen Special Economic Zone in Fujian. According to the statistics of eight provinces and municipalities, including Guangdong, Fujian, Beijing, and Shanghai, multiple entry and exit documents have been issued to 7,280 Taiwan visitors.

It was pointed out at the seminar that compared with the large number of Taiwan visitors, relatives of Taiwanese in the mainland face mounting difficulties and inconveniences when visiting Taiwan, due to various obstacles imposed by the Taiwan authorities. According to statistics, between January 1988 and October 1990, the number of mainlanders who went to Taiwan to visit their relatives or attend funerals was only 7,000. Officials of the relevant departments deemed this an outcome of the Taiwan authorities' insistence on the "three no's" policy. They urged the Taiwan authorities to end the abnormal practice of one-way exchange and facilitate free contacts by the people on the two sides so as to step up economic, cultural, scientific and technological, and social exchanges and promote the development of relations between the two sides in a direction favorable to peaceful reunification.

Reporters at the seminar also learned that along with the rapid increase in the number of Taiwan visitors to the mainland, problems in public security have also cropped up. Some Taiwan visitors failed to complete lodging registration according to the relevant laws and regulations. Some even engaged in smuggling, fraud, reselling

of foreign exchange for profit, prostitution, and other criminal activities. The entry and exit department of the Public Security Ministry called on various circles to pay attention to these problems, and expressed the hope that Taiwan visitors to the mainland will observe the state laws and relevant regulations and refrain from engaging in illegal activities.

Yang Shangkun Condolences on KMT Figure's Death
OW1512173290 Beijing XINHUA in English
1639 GMT 15 Dec 90

[Text] Beijing, December 15 (XINHUA)—President Yang Shangkun today sent a telegram of condolence to Taiwan on the death of Chang Chun, chairman of the Presidium of the Central Advisory Committee of Kuomintang [KMT].

Sources in Taipei say that Chang, 101, died yesterday at the Veterans General Hospital in Taipei.

Article Answers Taiwan's Demand for Response
HK1612020290 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 50, 10 Dec 90 p 24

[Article by Professor Fang Sheng (2455 3932) of the People's University of China: "What Is Considered 'A Well-Meaning Response?'"]

[Text] Some guests from Taiwan often ask: Why have the CPC authorities not made a "well-meaning response" to Taiwan's "policy toward mainland China?" As the question is posed, it gives us food for thought.

What is considered a "well-meaning response?" What do the Taiwan authorities want from mainland China's well-meaning response? In a nutshell, it is none other than giving up the "one country, two systems" concept, and making a commitment to refrain from resorting to force in the reunification of Taiwan and mainland China. To some people, only satisfying the Taiwan authorities' demands would be a "well-meaning response." Apparently, the well-meaning response the Taiwan authorities demand means saying "yes" to whatever they demand, whether or not these demands are reasonable and correct.

In fact, mainland China has already responded to the aforementioned Taiwan authorities' demand. Articles written by experts and scholars have been numerous; however, some people felt the absence of "authority," while they found CPC relevant leading members' speeches "not being specific enough." When President Yang Shangkun met a CHINA TIMES reporter not long ago, he discussed in full detail with profundity a series of important issues of mutual concern to the two sides, including peaceful reunification and Taiwan-mainland relations, and reaffirmed the CPC principle toward Taiwan. President Yang's speech should have been the most well-meaning response.

Concerning the "one country, two systems" concept, the Taiwan authorities have all along attempted to launch a counteroffensive against mainland China while "unifying China on the basis of the Three People's Principles," whereas mainland China used to express its determination to emancipate Taiwan and to implement socialism there. The mainland has readjusted its policy toward Taiwan since 1979 and proposed the "one country, two systems" concept, namely, Taiwan may implement capitalism, while mainland China will continue to implement socialism, without intervening in each other's social systems. The policy is different from that toward Hong Kong; mainland China will refrain from sending its troops to Taiwan, while the latter may maintain part of its troops. The mainland will not send its personnel to participate in Taiwan's administration; on the contrary, Taiwan is welcome to send its personnel to the mainland to participate in the central government. This "one country, two systems" concept is sensible and gives no cause for criticism. Still, some people in Taiwan thought differently. To explore the cause, it does not lie in the dispute over social systems, but the relationship between the central and regional authorities. That is the crux of the dispute.

Regarding this point, Chairman Yang has explicitly pointed out, China absolutely denies that Taiwan and mainland China are two governments on equal footing. The central government must be in Beijing, and the state must be the People's Republic of China, should reunification be accomplished. This is the most important principle, with no room for concession. This has been affirmed by international law and recognized by the United Nations Charter. It is based on such a position that the CPC opposes the Taiwan authorities' engagement in "flexible diplomacy," "double recognition," and "the fight for international survival space."

To the best of the author's knowledge, some Taiwan personalities have unconsciously come under the effects of the Kuomintang's [KMT] "legally constituted authority" because they have lived in Taiwan too long, while being imperceptibly influenced by what they constantly see and hear, and they cannot take the CPC proposal to heart. Others in Taiwan greatly appreciate the reunification pattern between the FRG and the GDR, namely, realizing reunification through governmental talks, and they believe that China may follow such an example. In fact, that is a great misunderstanding. East and West Germany were two countries and two governments that took shape under specific historical conditions in the wake of World War II, and had nothing in common with the political situation on the two sides of the strait that took shape some 40 years ago.

It was to avoid argument between the central and regional authorities, and to take into consideration Taiwan's position, that the CPC proposed CPC-KMT talks on an equal footing. President Yang devoted further discussion to this point in his talk, while he proposed the CPC and KMT sit down and conduct peace talks unconditionally. At the initial stage of the talks, political issues

such as central-regional relations may be shelved, and matters on ties between the two sides such as trade and cultural exchanges can be dealt with first. So long as there is willingness to talk, senior officials are not necessarily involved, and talks can begin at lower levels, through whatever suggestions can be made. In addition, President Yang said, the CPC does not intend "to bully a weaker party." These words are frank and sincere, with deep feelings. The Taiwan authorities have no reason to remain indifferent.

On the issue of refraining from resorting to force, peace talks to realize the motherland's reunification is the CPC's basic policy toward Taiwan and a great decision-making policy compatible with the will of the two sides. The CPC has not made any commitment on refraining from resorting to force simply because it has taken into consideration foreign intervention in Taiwan affairs. In other words, resorting to force is conditional, and not otherwise. However, the Taiwan authorities have made a fuss on this point, while believing that the void of a commitment on refraining from resorting to force means the lack of sincerity on the part of mainland China regarding peaceful reunification. Again President Yang expounded on that point. He stressed that this does not aim at Taiwan. Taiwan compatriots are our own compatriots, what is the sense of attacking our own compatriots? Not making any commitment on refraining from resorting to force is aimed at foreign countries, especially some countries that want to take Taiwan away from us. The Taiwan press carried comments on that, believing that there is something new in his statement, which is noteworthy.

With the idioms "a long delay is fraught with dreams," and "when conditions are ripe, success will come," President Yang figuratively illustrated that in realizing the great cause of the motherland's reunification, we should neither act with undue haste nor sit and wait with a passive attitude. Presently, the most important thing is communication, to set up a powerful channel of communication as quickly as possible to promote the historical progress of the peaceful reunification between Taiwan and mainland China.

The author believes it is none other than the Taiwan authorities that should make a well-meaning response regarding the communication on the two sides' relations. Because there is no roadblock on the mainland's side; quite the contrary, it has done voluminous work to promote and push forward such communication. Lifting the ban on two-way exchanges between the two sides on an equal footing, allowing Taiwan businessmen to make direct investment in the mainland, and easing various restrictions on ties between the two sides should be the least well-meaning response from the Taiwan authorities.

On the contrary, some Taiwan authorities have proposed "to freeze and cool off" the mainland craze, while restricting further ties between Taiwan and mainland China. That goes against popular feelings. What

accounts for the Taiwan authorities making such an unwise decision is their fear that frequent ties between the two shores would gradually wipe out "the hostility" between the two sides, while endangering Taiwan's "security." If the Taiwan authorities aim to maintain the hostility, while regarding the 1.1 billion mainlanders as their enemy, would it not be posing a greater threat to Taiwan's security? True, there has been political confrontation between the KMT and the CPC, but the CPC has tried its best to relax the relations between the two parties and propose peace talks between them, whereas the KMT is exerting its efforts to maintain the hostility between them. What is the good of it to Taiwan's security anyway?

The author holds the view that the greatest security for Taiwan is realizing peaceful reunification between the two sides, otherwise, if Taiwan insists on separating from the mainland, its position will be shaky, with no security to speak of. The nongovernmental ties between the two sides are favorable to promoting political reunification. The closer such ties are, the more favorable it is to wiping out hostility and deepening mutual understanding, the motherland's reunification, and Taiwan's security. Regarding this, the Taiwan authorities should be overjoyed, but why should they experience such great anxieties?

If, regarding Taiwan, the greatest security is realizing the reunification between the two sides, then, the greatest threat to Taiwan's security is "Taiwan's independence." However, regarding the efforts of "Taiwan's independence forces" to developing themselves, the Taiwan authorities have not done anything to suppress and eliminate them; on the contrary, they have shown tolerance and leniency toward them under various pretexts. That can only sadden the Chinese people and gladden the enemy.

Now that the door leading to relations between the two sides is open, no efforts can ever shut it again. The relations between the two sides will inevitably develop in a healthy direction. The author hopes the Taiwan authorities will judge the hour and size up the situation, go along the historical tide, give priority to people's interest and the great cause of reunification, and promote the earliest normalization of relations between the two sides. This is also the well-meaning response from the Taiwan authorities as expected by people of the two sides.

BEIJING REVIEW Criticizes Taiwan

OW1612144090 Beijing *BEIJING REVIEW* in English
No 50, 10-16 Dec 90 pp 9-13

[Article by Li Jiaquan: "Taiwan: 'One Country With a Good System'"]

[Text] After their formulas of "one country, two governments," and "one country, two regions" were denounced, the Taiwan authorities again dished out the "one country with a good system" concept, the essence

of which is to create division and reject the proposal for China's peaceful reunification. All the aforementioned formulas and concept will only lead to a dead end. The best method for reuniting both sides of the Taiwan Straits is still the "one country, two systems" policy.

Recently, soon after the Taiwan authorities substituted the concept of "one country, two regions" for their idea of "one country, two governments," they dished out a so-called "one country with a good system." Their latest ploy leaves people at a loss as to how to proceed regarding relations between the two sides of the straits and one cannot help but wonder what the Taiwan authorities have got up their sleeves. In fact, they are just playing with words and their real intention is crystal clear

Origin of the New Concept

On October 5 this year, Taiwan's CENTRAL DAILY NEWS published a talk made by a top figure of the Executive Yuan. He said that Mr Chiang Ching-kuo, when still alive, once said, "what we want is 'one country with a good system,' that is to say, our country wants only a good system." The essence of this statement is "reunifying China under the Three People's Principles" (nationalism, democracy and the people's livelihood), a slogan which Taiwan authorities have been preaching for many years.

This source in the Executive Yuan provides us with the information that the "one country with a good system" was put forward by Mr Chiang Ching-kuo during his lifetime. This reminds me of an editorial entitled "Establishing the 'One Country With a Good System' on the Basis of the Three People's Principles," which was published in Taiwan's CENTRAL DAILY NEWS on April 16, 1987. The article played up the "advantages" of the Three People's Principles and condemned the "defects" of socialism. Apparently, the editorial was written on order of Mr Chiang Ching-kuo. Although I did not quite understand what was behind it at that time, I analysed and commented on the idea in many of my articles, pointing out the divisive essence of its content.

This idea, then, is nothing new. In January 1981, a resolution to "reunify China under the Three People's Principles" was adopted at a Taiwan military conference chaired by Chiang Ching-kuo. In April of the same year, a proposal to "implement the motion for reunifying China under the Three People's Principles" was passed at the 12th congress of the Kuomintang (KMT) and was taken as the KMT's "goal" for the future. The proposal, however, has been criticized by wise people in and outside the island for many years because it is not practical and, in fact, has become something of a laughing stock. Under these circumstances, the KMT authorities were compelled to temporarily lower the unpopular banner.

The fact that the Taiwan authorities have twice dished up the "one country with a good system" concept in recent years has been related to China's domestic and

international climate at the time. The first instance occurred in 1987 when the KMT's CENTRAL DAILY NEWS dished out the "expedient 'two Chinas' theory" on January 10, a proposal inveighed against by the public both in and outside the island. Then, on April 16, the Taiwan authorities put forward the "one country with a good system." On the one hand, they castigated the Communist Party and socialism, and, on the other hand, they rehoisted the banner of "reunifying China under the Three People's Principles," indicating that they still advocated "one China," and stood for "reunification." The second time was in October this year after the "one country, two governments" concept put forward by the Taiwan authorities in March 1989 was vehemently denounced by public opinion inside and outside the island, rendering their continued advocacy of it impossible.

At the end of August this year, although this slogan was then transformed into "one country, two regions," it was still considered to be without a soul and lacking appeal. Moreover, it did not shake off the shadow of separatism already manifest in the "one country, two governments." Among the public in and outside the island, many doubted and denounced the concept. Under these circumstances, the Taiwan authorities played the same old trick by once again dishing out the "one country with a good system." It is clear from the two attempts at "one country with a good system," except for the change in time, that the background, means and goal are basically the same. Of course, there is more momentum this time than the last. An organization was set up and a posture of "really wanting to guide the great cause of China's reunification" assumed. But there are still doubts and people wonder why the KMT authorities now cry for "two governments," and now talk glibly about "reunification." Do they want genuine or sham reunification? Do they want reunification or are they practising separatism? Let these questions be answered by time and history.

It is worthy to note the international background against which the "one country with a good system" was dished out again. Recently, some people in the United States who are pro-Taiwan and have overtly or covertly supported "Taiwan independence" forces have suddenly come out against "Taiwan independence." Mr Stephen Solarz, chairman of the Asia-Pacific group of the House Foreign Committee of U.S. Congress, who has always been seen as "an effective and secret supporter" of "Taiwan independence," recently "poured cold water" on the advocates of this idea. If they really believe that the idea of "Taiwan independence" is impossible and changed their mind, it is, of course, a step in the right direction. However, they only oppose "Taiwan's proclamation of legal independence." This means they do not oppose "substantive Taiwan independence," including the continued practice of "one country with a good system" in Taiwan under the banner of the "Republic of China." Using "Reunifying China under the Three People's Principles" as a pretense, they simply wait for the

opportunity to push their "good system" onto the mainland. Some people profess that "Taiwan independence" is a dangerous road but, at the same time, energetically encourage the Taiwan authorities to "cool down" the "mainland craze." They say that Taiwan businessmen, especially big enterprises, should not invest in the mainland because they consider this "extremely unwise," "a very serious matter," a "loss of the sense of the enemy and ourselves" and a move that means abandoning a "good system" and supporting a "bad system." They say "Taiwan's money should look for a way out in Southeast Asia and Eastern Europe," and "should not go to China's mainland." The Taiwan authorities support this as they sing the same old tune of "one country with a good system" and draw back from their mainland policy. Aren't such actions thought-provoking?

Two Systems

The Executive Yuan figure also said in his speech delivered in early October this year, "Germany's unification proves that the good system can bring about unification with the bad and that the bad system must accept the principle of the good system." The "good system" he mentioned refers to the "one country with a good system," or Taiwan's "Three People's Principles," while the "bad system" refers to the Chinese Communist Party's "one country, two systems" or the mainland's socialism.

Let's see how the Taiwan authorities evaluate these two systems. An editorial published in the CENTRAL DAILY NEWS on April 16, 1987 said: Communism (Taiwan writers invariably mix up present-day socialism with future communism—Ed.) "does not conform with the law governing the development of history." "The excessive deluge of capitalism (they also invariably distinguish Western capitalism from Taiwan's Three People's Principles—Ed.) also has its defects as we gradually discover." Only the Three People's Principles as practised in Taiwan can act as "the medicine to save China." No wonder the Taiwan authorities have in the past two years tried every possible means to spread the so-called "Taiwan model" and "Taiwan experience" to China's mainland.

As everybody knows, the Three People's Principles were the political programme put forward by Dr Sun Yat-sen (1866-1925) during the Chinese bourgeois democratic revolution. Later, influenced by the Russian October Revolution and helped by the Chinese Communist Party, Dr Sun Yat-sen formulated the Three Major Principles of Allying With Russia, Co-operating With the Communist Party and Helping Peasants and Workers. He promulgated in 1924 the Three People's Principles, [as published] He stated that nationalism meant opposing imperialism and advocating equality for all domestic nationalities; democracy meant the establishment of political democracy shared by ordinary

people, not monopolized by a few; and people's livelihood meant equalization of land ownership and regulation of capital. This was what was later called the revolutionary Three People's Principles.

Has the KMT carried out these principles? It has never done so since it went to Taiwan, to say nothing about the period it controlled the mainland. Take nationalism for instance. In its foreign relations, it never gives a thought to whether one is imperialist or operates under some sort of power politics; in its domestic policies, it doesn't bother to consider whether one is an advocate of "Taiwan independence" or has the tendency towards "Taiwan independence." So long as one opposes the Chinese Communist Party, it will unite with and shake hands with him. It will directly trade with and make investment in foreign countries, directly exchange mail and contact foreign countries, but in its relations with the mainland, it will not allow this contact or that exchange. The so-called "policy of three no's" (no contact, negotiation and compromise) and "indirect, ok but, direct, No!" has resulted in the division of the Chinese nation for dozens of years. How long will the situation drag on? What sort of nationalism is this?

The so-called democracy originally meant that ordinary people should be masters of the country. The so-called election of "president" and "vice president" which was held in Taiwan in March of this year was, in the final analysis, nothing but "money-power politics" of the authorities. With regard to the so-called "people's livelihood," Taiwan's greatest achievement was its "farmland reform" carried out in Taiwan. It was said this was a revolution made by the "big landlords of the mainland" against the "small landlords of Taiwan," a campaign which did not take a lot of effort.

The Taiwan authorities have not acted in accordance with other aspects of Sun Yat-sen's programme. KMT members themselves are clear about this. What they call the Three People's Principles is, in fact, only a slogan of the Taiwan authorities. The course on the Three People's Principles is about to be cancelled in schools and the jobs of teachers who lecture on the course are not guaranteed, yet they clamour about "reunifying China under the Three People's Principles." How ridiculous! As a matter of fact, Taiwan is not practising the Three People's Principles, but capitalism which was long ago reduced to an appendage of developed capitalist countries. It is a capitalist system which has deviated from Sun Yat-sen's Three People's Principles. What sort of "good system" is that?

China's mainland developed socialism on the shambles left by the KMT. Its achievements are universally acknowledged. In the 80 years, beginning with the Westernization Movement during the late Qing Dynasty (1644-1911) to 1949 when the KMT fled to Taiwan, the accumulated industrial value of fixed assets was only 12.4 billion yuan. The value of fixed assets accumulated in the 40 years after the founding of New China in 1949, however, reached 1,064.1 billion yuan, a 86-fold

increase. The output of grain, cotton, iron and steel, coal, electricity, cement, chemical fertilizers and other main products in the mainland was among the world's largest, some ranking first in the world. The country's GNP leapt to eighth position in 1988 from less than 40th before the nationwide liberation in 1949. China now has established its own independent and relatively complete industrial system, reaching advanced international level in space, nuclear, computer, biological engineering and agricultural technology. Experts calculate that China's overall strength ranked fourth in the world in 1989. The mainland has not only realized but also surpassed the targets set up by Sun Yat-sen in the Three People's Principles. More importantly, China today has stood up before various countries and nations as a sovereign independent state. The Chinese people are proud of this. How, then, can Taiwan say such a social system is a "bad system".

Certainly, Taiwan has made remarkable progress in some economic fields, especially in its per capita national income. But this progress has been achieved due to some domestic and international factors. I have expounded on these factors at length in other articles and will not repeat them here. Suffice it to say that the Taiwan authorities have no reason whatsoever to turn up its nose at the mainland in this respect. It is true that, owing to our lack of experience for it is not long since the socialist system was established on the mainland, and to the poor foundation left over from the old China, an inadequate understanding of past situation; and some mistaken policies, the mainland has taken a roundabout course and failed to bring into full play the potential advantages of the socialist system. It is difficult to avoid mistakes in the course of changes. We believe that in the future the socialist system will develop in a more healthy manner after we sum up the domestic and international experience and lessons. The development of the world capitalist system has gone through some 300 or 400 years while China's socialist system just 40 years. We shouldn't therefore demand perfection in such a short time.

The capitalist society has developed unevenly in the world as countries with the same system have advanced at different speeds, some slowly, others swiftly. Like the capitalist society, the socialist countries have progressed differently, but it is too early to gloat over the setbacks of socialism in some regions or for a period of time. I advise officials of Taiwan not to ridicule socialism like the feudalists who jeered at capitalism when it failed in its early stage and not to take the same attitude towards the socialist state as those who believed the capitalist system would fail in all countries after its failure in some regions. The new will certainly replace the old and new relations of production will replace old ones. But their replacement is a long and tortuous course. It is as impossible for the capitalist system to keep its youthful vigour forever as it is for socialism to remain in its current position for a long period. The latter will certainly go forward at a speed quicker than ever before based on the

useful gains of the former. I hope Taiwan authorities keep the long range view in mind.

A Dead End

After the idea of the "one country, two governments" was severely criticized, many people in Taiwan realized it was a dead end. But what about the view of "one country with a good system". In fact, the idea of "one country with a good system" is also a dead end. After the death of Chiang Ching-kuo, the Taiwan authorities brought out the "one country, two governments" when they found the idea of "one country with a good system" got nowhere. Now that they realize it was impossible for their proposal of "one country, two governments" to succeed, they took up their previous view one again. They go this way, turn around when they find it is a dead end, and come back again after they find no way ahead. Where is the way out for them. The question is worth considering.

When speaking of the idea of "one country, two governments" we cannot but think of the so-called "principal group," and the "secondary group" when we talk about the idea of "one country with a good system." It appeared that these two groups came into being during the election of the "president" and "vice president" last March. In fact, they existed earlier as representatives of two interested groups. The election brought their struggle to the surface. Some people said these two groups did not exist after the election. This is untrue. They co-operated and contended with each other. In regard to relations between the two sides of the Taiwan Straits and the policy towards the mainland, the "principal group" advocates "one country, two governments" overtly or covertly, sometimes the idea was dished out in a combination of acts and words, and sometimes in acts only. The "secondary group" stands for "one country with a good system," and the idea is now hidden and now open, is now espoused and now not espoused, depending on the political climate. Each group criticizes the view of the other group as impractical and fails to see or is unwilling to see that its own view is also a blind alley. Both groups seem to support the reunification of motherland. But one advocates two governments and the other one a good system, both of which are impracticable. Because of this, people doubt whether they really want reunification or, under the pretext of reunification and one China, are creating separatism and "two Chinas." People also doubt whether their struggle is for China's reunification or for "Taiwan independence" or a power struggle? It appears more and more clearly that they fight for the power to control Taiwan's future, but they co-operate in continued opposition to the Communist Party and rejection of peace talks.

Certainly, the two groups do not have the same political views, but their respective policies towards the mainland have the same objective effect. Both will lead to a situation of "one sovereignty, two independent political powers" and a separation of the motherland. They have

no essential difference and, objectively, both are allies of those who favour the "independence of Taiwan."

Under the present domestic and international conditions, if one deals with the concrete matters and thinks about the interests of our nation as a whole and our offsprings, one will find no other better way than the principle of "one country, two systems" for the reunification of Taiwan and the mainland.

I absolutely disagree with the view of both the "principal group" and the "secondary group" who say that they resolutely oppose the "one country, two systems" because they worry that Taiwan's capitalism will be destroyed by the mainland's socialism and the living standards of the Taiwan people will be lowered. If this were true, it indicates they know nothing of the strategic principles of the Communist Party of China adopted since the Third Plenary Session of the 11th Party Central Committee, the current policies and the wishes of the people in the mainland. In addition, these things would be guaranteed by agreements and legislations. What they really worry about is that they will lose the "name of the country," and so the "head of state," "the central government," "president," "ministers," and other titles will not be guaranteed. Although the people on both sides of the straits will benefit from the reunification and there will not be any substantive change in their political positions and living standards, some people may lose their titles or be demoted. They say that the struggle between the two parties and between the two sides is a struggle concerning "the political system" and "the fate of the country," and that the principle of "one country, two systems" is a "scheme," a "trap" and a "fraud" of the united front. All these allegations are nothing but pretexts to reject peace talks, and their actions do nothing but injure the interests of the state and our nation.

It is necessary to point out that some people oppose the principle of "one country, two systems" because they still have illusions about the current domestic and international situation. They always want to solve the problem regarding the relations between both sides according to their own wishful thinking. North and South Viet Nam in the past and the West and East Germany today set an example for the reunification of a divided country after World War II and, in the future, the south and north side of Korea and China's Taiwan and mainland will provide their own way of unification. With different causes, state conditions, historical background and realities, each has its own method for unity. Some officials from Taiwan, however, disregard reality in China and indulge in fantasy. They first proposed the mode of "one country, two governments" in an attempt to keep "two central powers" and then repeated the mode of "one country with a good system" in order to "transform" or "overwhelm" the socialist mainland. How ridiculously they overrate themselves!

The state wants reunification and the nation wants unity. This is the common wish of the 1.1 billion Chinese

people including those in Taiwan and also an irresistible historical trend in the world. Those who go against this historical trend will certainly be drowned by the torrents of history. Proposals and policies which are against the interests of the majority of the people on both sides of the straits will inevitably turn into the opposite of the wishes of their makers. We hope the Taiwan authorities think twice before taking any action.

New Zealand Greenpeace Warns Taiwan Fishermen

OW1612041290 Beijing XINHUA in English
0249 GMT 16 Dec 90

[Text] Wellington, December 16 (XINHUA)—Greenpeace New Zealand has warned that driftnet fishing boats from Taiwan had "better be on their guard" against direct action by environmentalists after the Royal New Zealand Air Force spotted a Taiwanese driftnetter in the Tasman Sea last week.

The Lien Chun No. 1 from the Kaohsiung Port of Taiwan, which was spotted well outside New Zealand's 200-mile exclusive economic zone, was the first sighting of up to 11 "wall of death" fishing boats expected to fish in the Tasman during the next six months. The Taiwan authorities have approved 11 driftnet boats to fish in the region till July next year.

A Greenpeace spokesman did not specify what measures would be taken by environmentalists but cited the recent action against Japanese whaling that divers had been dropped in the path of a whaling boat, a local media report said.

New Zealand and Australia are coordinating a driftnet surveillance program as part of the international commitment to stop "wall of death" fishing.

Japan and South Korea have agreed to stop driftnet fishing in the South Pacific. Taiwan has agreed to implement the United Nations driftnet ban in the South Pacific but it will not stop driftnetting until next July, the date set by the ban.

Legislator Reportedly Visits Beijing*HK1512022390 Hong Kong SOUTH CHINA MORNING POST in English 15 Dec 90 p 11*

[Text] Maverick Taiwan legislator Mr Ju Gau-jeng has paid a secret visit to Beijing and discussed reunification issues with mainland officials.

Mr Ju, a former member of the opposition Democratic Progressive Party (DPP) who has declared his intention of forming his own party, arrived in Beijing on Monday as head of an academic delegation.

However, the trip was not made known until the China News Service issued a dispatch last night.

Mr Ju visited the Communist Party school, the Chinese Academy of Social Sciences and Taiwan-related units such as the All-China Federation of Taiwan Compatriots and the Taiwan Democratic Self-Government League.

He also held talks with the Vice-Chairman of the Chinese People's Political Consultative Conference, Mr Cheng Siyuan.

Taiwan sources said the trip by Mr Ju, one of Taiwan's most popular opposition politicians, could lead to the early visit to Beijing by DPP leaders.

Yesterday, DPP spokesman Mr Tsai Ren-jian said the party did not rule out talks with the Communist Party on "functional matters".

Mr Tsai said he considered the recent announcement by Beijing, that bilateral talks could begin with ways to promote interchanges instead of with reunification, as a sign of progress.

Meanwhile, the Taiwan Presidential Press Secretary, Mr Chiao Jen-ho said yesterday the President, Mr Lee Teng-hui, may announce on Christmas Day the date he will officially drop the Kuomintang Government's 42-year vow to crush communist rule on mainland China.

Mr Chiao said Mr Lee would soon say when he would put an end to "the Period of Communist Rebellion", a 1948 emergency declaration that has kept Taipei officially at war with Beijing and sharply limited democratic reforms at home.

Mainland Opposes Italian Arms Sale to Taiwan*OW1512094190 Taipei International Service in English 0200 GMT 15 Dec 90*

[Text] The Communist Chinese Foreign Ministry said on Friday that Italian arms sale to Taiwan will hamper the island's reunification with mainland China and threaten Asian peace. It was reacting to news from Taipei last week that Italian aerospace firm Air Italia was trying to sell its AMX fighter trainers and G-222 transport planes to the ROC [Republic of China]. The spokesman said that Peking has always been opposed to

the sale of any kind of weapons or provision of military production technologies to Taiwan by any countries.

Executives and technicians from Air Italia arrived in Taipei on 4 December on a visit arranged by the local Far Eastern Air Transport Corporation. Military analysts said Taiwan was unlikely to acquire the AMX as it resembles a locally developed trainer, but it could be interested in the G-222 transport to replace its aging fleet of U.S.-made C-119's.

Official Warns of Delayed Reunification*OW1712142190 Taipei International Service in English 0200 GMT 17 Dec 90*

[Text] Vice Foreign Minister John Chang [Chang Hsiao-yen] said Saturday that reunification of China will take even longer to achieve if the Chinese communist authorities do not give up their attempts to isolate and degrade Taiwan in the international community.

Speaking at an annual meeting of the ROC [Republic of China] Chapter of the World League for Freedom and Democracy, Chang cited the relations between the formerly separated German states to explain the importance of mutual respect and trust in uniting any divided nation, urging the Chinese communist authorities to stop making things difficult for Taiwan. Chang said the ROC Government must adopt a more practical foreign policy especially at a time when the influence of political doctrine is declining and compromise is replacing confrontation as the mainstream in promoting international relations. Chang predicted that Taiwan will have a bright future if it upholds its principles and ideals.

No Timetable for Talks With Mainland*OW1512005790 Taipei CNA in English 1523 GMT 14 Dec 90*

[Text] Taipei, Dec. 14 (CNA)—The Republic of China [ROC] Government has no plan or timetable for official contacts or talks with Communist China on China's reunification, a presidential spokesman said Friday.

Taiwan's position on rejecting any official contact with Chinese Communists will remain unchanged until Peking accepts the preconditions outlined by President Li Teng-hui in his May 20 inaugural speech, Presidential Press Secretary Chiao Jen-ho told a press conference.

President Li declared at his inauguration that the Republic of China will be willing to "establish channels of communications" and "discuss national reunification" on equal footing with the Chinese Communists under three conditions.

The conditions are that Peking implement democracy and a free economy, renounce the use of military force on the Taiwan Strait, and promise not to interfere with Taipei's efforts to expand foreign relations under the one-China policy.

Chiao reaffirmed the government's position in response to resolutions adopted at a Peking conference on Taiwan affairs, which closed Wednesday. The Peking meeting urged both sides of the strait to hold talks as soon as possible for an early solution of the reunification issue.

The resolutions indicated that the Chinese Communists still insist on the "one country, two systems" formula, which Taipei has rejected from the very beginning on the ground that it will downgrade the ROC Government to the level of local authorities, Chiao said.

Peking's attitude, he added, also showed that it does not see the core of the problem and does not understand the current situation in Taiwan.

Peking should not try to push Taiwan to the negotiation table, but should instead modernize and democratize the China mainland in order to allow the mainland Chinese to enjoy freedom, democracy, peace and prosperity, the spokesman said.

When the gap between the two sides of the strait narrows to an acceptable level, the goal of China reunification will be attainable, he concluded.

Exchange Foundation on Mainland Contacts

*OW1512063290 Taipei Domestic Service
in Mandarin 2300 GMT 13 Dec 90*

[From the "News and Commentary" program]

[Text] On 13 December, Chen Chang-wen, secretary general of the Foundation for Exchanges Across the Taiwan Strait, pointed out: The foundation's future contacts with the Chinese Communists will not be talks on a so-called party-to-party basis. As nongovernmental personnel, its staff will undertake exchange affairs between the two sides of the strait.

He also said: After the foundation has been established, it will meet formally with the relevant Chinese Communist departments in charge. It will brief the latter on the foundation's purpose, goals, and views to facilitate the work of coordination in the future.

Hainan Island To Sign Joint Agreement

*OW1612103790 Taipei International Service
in English 0200 GMT 16 Dec 90*

[Text] Taiwan will sign an agricultural technology agreement next March with Hainan, an island province of communist China. It will be the first of such accords between the two sides of the Taiwan strait. The province's Vice Governor Pao Ko-ming [Bao Keming] told a visiting Taiwan industrial mission on 8 December: Hainan will provide Taiwan experts with five special agricultural zones for the development of agricultural technology.

The details of the cooperation project include first, Hainan will offer land, machinery, labor, and preferential investment conditions, while Taiwan will come up with skills, capital and fertilizers and invest in processing plants; and second, Taiwan agricultural agencies are planning to develop both production and marketing sales operations in the zones with respect to the planting of sugar cane, rice, vegetables and fruit, and the raising of fish and livestock.

Different Treatment Promised for Mongolians

*OW1612114490 Taipei Domestic Service
in Mandarin 2300 GMT 13 Dec 90*

[From the "News and Commentary" program]

[Text] On 13 December, Minister of Justice Lu Yu-wen said: It is a fact that there are differences between people in Outer Mongolia and people on the mainland. In the regulations governing affairs of the people on both sides of the Taiwan strait, which will be issued in the future, the question of the Outer Mongolian people's entrance and exit will be separately stipulated.

Lu Yu-wen's statement is the first clear expression by a government executive that people in Outer Mongolia and people on the mainland will be dealt with differently. Lu Yu-wen made this statement at the Chinese Armed Forces Officers' Club in Taipei while answering legislator Chu Feng-chih's question during a discussion on relations between the parties and the government.

U.S. Urged To Help Maintain Pacific Stability

*OW1712035690 Taipei CNA in English 0248 GMT
17 Dec 90*

[Text] Taipei, Dec. 17 (CNA)—Premier Hao Po-tsun Saturday urged the United States to help maintain peace and stability in the west Pacific and in the Taiwan Strait.

Hao made his call while meeting with visiting US Congressmen Gerald Solomon (R-NT) and James Courter (R-NJ).

Hao expressed his hopes the United States will support the ROC's [Republic of China]'s bid to join the General Agreement on Tariffs and Trade and other major international financial and trade organizations.

Solomon and Courter made assurances that they will continue to see to it that the US Government and Congress abide by the Taiwan Relations Act.

Representative to U.S. Returns to Taipei

*OW1512143390 Taipei CNA in English 1406 GMT
15 Dec 90*

[Text] Chiang Kai-Shek Airport, Dec. 15 (CNA)—The Republic of China's [ROC] representative to the United States Ding Mou-shih returned home for consultations Saturday morning.

When asked about the ROC's application for admission to the GATT (General Agreement on Tariffs and Trade), Ding noted that many U.S. lawmakers as well as leading newspapers have expressed their support for the matter. Some U.S. officials have indicated that the ROC is well qualified to become a member of the GATT in the name of "Customs Territory of Taiwan, Penghu, Kinmen, and Matsu," but the U.S. Government has not made its decision because of political considerations, he added.

Asked about the effect of U.S. midterm elections, Ding said that he believes the result makes no big difference, in so far as the substantive relationship between the two countries is concerned.

As for the question of whether the ROC will open a visa-issuing office in Guam, Ding said the question is being studied by both sides.

Taiwan Considers Reopening Guam Visa Office

*OW1512130490 Taipei CNA in English 1147 GMT
15 Dec 90*

[Text] Taipei, Dec. 14 (CNA)—To meet practical needs, the Republic of China [ROC] is considering the reopening of a visa-issuing office in Guam, Foreign Ministry officials said Friday.

The officials said the ROC Foreign Ministry has been conducting final consultations with Guam, and once details are worked out, Taipei and Washington are expected to announce the latter simultaneously.

Guam and Taiwan are not far from each other, only three hours of flight. Many people in Guam who have visited Taiwan have expressed hopes that Taipei will reopen an office there to handle consular matters.

Guam Governor Joseph Ada came recently for this and consulted with Foreign Ministry officials.

Before the severance of official Sino-American relations in 1979, the ROC had diplomatic offices in 14 cities in the United States. So far Taipei has reopened or created offices in the name of Coordination Council for North American affairs in Washington, D.C., and 11 other U.S. cities, the three exceptions being Western Samoa, Portland and Calexico, a small town bordering California and Mexico.

Foreign Ministry officials noted that the ROC would like to reopen all the offices, but because of insufficient manpower and changed conditions, the ministry is still continuing its study and assessment.

Aquino To Visit Taiwan in Return for Loan

*OW1612103890 Taipei International Service
in English 0200 GMT 16 Dec 90*

[Text] Red China offered the Philippines credit on oil to help it cope with the Gulf crisis, and warned against attempts by Taipei to drive a wedge between Manila and Peking. "Some people want to damage the friendship

between the Philippines and Red China. We must be vigilant against that," communist Foreign Minister Chien Chi-chen [Qian Qichen] told reporters after meeting his Filipino counterpart.

Communist Premier Li Peng, in talks with President Corozon Aquino Friday morning, offered to help the Philippines by providing 300,000 tons of oil on credit and 100 free buses to overcome transport shortage in Manila.

Chien did not specify who wanted to damage Manila-Peking relations, but Li's visit has been overshadowed by a report from Taipei that Aquino had accepted an invitation to visit Taiwan (in return) for a loan of \$2 billion. Philippine Government spokesman has called the timing of the report malicious, but refused to deny it.

Aquino Wishes to Visit Taiwan

*OW1512121790 Taipei International Service
in English 0200 GMT 15 Dec 90*

[Text] The Philippine's representative to Taipei has confirmed that Philippine's president Corozon Aquino had expressed hope to visit Taiwan to see and collect information on economic development programs here. (Huakinrosay), the director of the Manila Economic and Cultural Office in Taipei, said that Aquino has been wanting to visit Taiwan, but that so far nothing is definite and no arrangements have been made.

Meanwhile, official of the Foreign Ministry here said that there are no official comments in relation to the matter. Despite the absence of diplomatic relations between the two countries since 1975, the Philippines has shown high interest in cementing substantive ties, particularly after President Aquino took over the rein from the late Ferdinand Marcos in 1986. Some ranking officials of the Aquino Administration came to Taiwan secretly over the past month, trying to induce private investment from Taiwan, but last year's aborted military coup has greatly hampered the investment efforts. Two-way trade between Taipei and Manila stood at \$885 million in the first 10 months of this year, resulting in a surplus of \$471 million in favor of the ROC.

Japanese Senator's Remarks Protested

*OW1612054490 Taipei International Service
in English 0200 GMT 15 Dec 90*

[Text] The leader of a civil movement handed in a written protest to Japan's representative office on Thursday to protest several remarks made by a Japanese senator who said the story about the infamous Rape of Nanking was fabricated by the Chinese. The Protect-Tiaoyutai-Action Committee led by (Li Ching-hua), who is also vice chairman of the Chinese Taipei Olympic Committee, blasted the Japanese senator for apparently saying that the Nanking holocaust was a lie by the Chinese. (Li) said the senator was a statesman in support of fascism and neo-militarism in Japan. The committee's letter also said history could attest to the massacre,

which has been described by many news reports, photographs, films, diaries, books, testimonies, and eyewitnesses. The massacre, which marked its 53d anniversary on Thursday, is remembered by many mainlanders with bitterness. For six weeks, more than 300,000 Chinese were killed in Nanking.

Government Wants To Join Asian Trade Group

*OW1612003190 Taipei CNA in English 1551 GMT
15 Dec 90*

[Text] Taipei, Dec. 15 (CNA)—The Republic of China should not be excluded from any new regional economic and trade group in Southeast Asia, Vice Economic Affairs Minister Wang Chih-kang said Saturday.

Wang said in a statement that Taipei is eligible for membership in any economic and trade bodies to be formed by Southeast Asian nations because the Republic of China is the second biggest investor in that part of the world.

One of the world's largest foreign exchange reserves, 13th biggest foreign trade and 27th highest per capita gross national product, the Republic of China's economic strength cannot be ignored, he stressed.

The Republic of China on Taiwan is willing to be a member of regional economic and trade cooperation groups as long as they comply with the spirit and principles of the General Agreement on Tariffs and Trade, Wang concluded.

USSR Largest Export Market in East Europe

*OW1612001490 Taipei CNA in English 1500 GMT
15 Dec 90*

[Text] Taipei, Dec. 15 (CNA)—The Soviet Union has become the Republic of China's [ROC] largest export market in Eastern Europe, the Board of Foreign Trade (BOFT) said Saturday.

During the first 11 months of this year, the Republic of China exported 52 million U.S. dollars' worth of goods to the USSR, and imported 53 million U.S. dollars of commodities from that country.

Last year, the Republic of China's exports to the USSR totaled only 20 million U.S. dollars while imports from that country amounted to 54 million U.S. dollars.

BOFT said the huge increase in exports indicates that the Soviet market has a great potential.

BOFT added that the USSR became the ROC's export market soon after the government opened direct trade with it earlier this year.

Hungary is the Republic of China's second largest export market in Eastern Europe, followed by Yugoslavia, Poland, East Germany, Bulgaria, Czechoslovakia, and Albania.

China Airlines To Cooperate With Aeroflot

*OW1712075090 Taipei Domestic Service
in Mandarin 2300 GMT 15 Dec 90*

[From the "News and Commentary" program]

[Text] On 15 December, the Ministry of Communications decided to open up the domestic air freight contracting service and allow the service to canvass freight contracts in our country as an agency for the Soviet Aeroflot. The ministry also agreed to the signing between China Airlines and the Soviet Aeroflot of an agreement on joint transportation and other separate preferential agreements, which will take effect after registration with and verification by the Executive Yuan.

However, Sino-Soviet negotiations on the rights of navigation for air freight transportation will not be considered for the time being because of current political and diplomatic factors.

Nicaraguan President Invited To Visit

*OW1612022290 Taipei Domestic Service
in Mandarin 2300 GMT 14 Dec 90*

[From the "News and Commentary" program]

[Text] President Li Teng-hui has sent a letter to President Chamorro of the Republic of Nicaragua, inviting the head of state of this friendly nation that recently resumed diplomatic relations with our country to visit the Republic of China. Mrs. Chamorro has consented to visit the Republic of China at an appropriate time.

Economic Mission Praises Tour of Brazil

*OW1412125290 Taipei CNA in English
1057 GMT 14 Dec 90*

[Text] Taipei, Dec. 13 (CNA)—The Republic of China's economic mission to South America led by Vice Minister of Economic Affairs Dr. Chiang Ping-kun has had "an active and fruitful program" in Sao Paulo, according to a FAR EAST NEWS AGENCY [FENA] report from that biggest Brazilian city.

FENA said the 32-member group Wednesday saw Brazilian authorities, leaders of Federation of Commerce and Federation of Industry of Sao Paulo, and prominent Overseas Chinese businessmen at welcome lunch, welcome dinner and an informal forum.

Chiang, FENA said, told more than 120 persons, including congressmen, that his mission was in Brazil to promote understanding and fortify friendship, adding that the mission was thinking of organizing Taiwan industrialists for participation in the first international industrial fair in Sao Paulo next year. The vice minister also spoke about forming an investment survey mission to Brazil to discuss concrete joint-venture projects and ways to help upgrade Brazil's industrial technology.

FENA quoted Chiang as saying that during his earlier visit in Rio, Brazilian friends including government authorities agreed with him that the two countries have to work jointly in these directions:

1. Promotion of exchange visits not only for private sectors but also public sectors, 2. Perfection of the consular functions of the representative offices, 3. Incentive (?conditions) in areas of banking and transport to ease access of communication and commercial interchange, and 4. Regular annual sessions on economic and technical cooperation.

Chiang then pointed out that if national airline Varig of Brazil, which is negotiating to extend its route to Hong Kong, extends its flight also to Taipei and private or state-run banks in Brazil establish agencies in Taiwan that would be a good and correct road to accelerate commercial and economic cooperation between the two countries.

Papua New Guinea Foreign Minister Begins Visit

*OW1412152190 Taipei CNA in English 1432 GMT
14 Dec 90*

[Text] Taipei, Dec. 14 (CNA)—Papua New Guinea Foreign Minister Michael T. Somare arrived here Friday for a five-day stay.

Somare visited the ROC [Republic of China] in May last year for talks on bilateral relations. He is scheduled to depart Dec. 18.

Economic Delegation Visits Argentina

*OW1612150290 Taipei CNA in English 1426 GMT
16 Dec 90*

[Text] Buenos Aires, Dec. 15 (CNA)—A 30-member Republic of China economic mission, led by Vice Economic Minister Chiang Ping-kun, will arrive here Sunday for a brief visit to Argentina.

The mission, composed of economic and trade officials and leading entrepreneurs, will call at the Argentine Chamber of Commerce, the Chamber of Industries, and the Argentine Rural Association. The Chinese mission will also hold a seminar on trade and investment climate.

Mission Arrives in Argentina

*OW1712040090 Taipei CNA in English 0259 GMT
17 Dec 90*

[Text] Buenos Aires, Dec. 16 (CNA)—A 30-member trade mission of the Republic of China [ROC], led by Vice Economics Minister Chiang Pin-kung, flew into Buenos Aires Sunday night for a two-day visit to Argentina.

On hand at the airport to greet Chiang and his entourage were staff members of the Taiwan Commercial Office here.

While here, members of the ROC mission will call on National Chamber of Commerce, Industry, and the Rural Association officials.

The ROC mission will also sponsor a seminar on the ROC economic and investment situation at the Chamber of Commerce. More than 150 Argentine business and industrial leaders are expected to attend the seminar which will be presided over by Chiang.

The provincial Chamber of Commerce will sign an agreement for setting up sisterhood ties with the Taipei Importers and Exporters Association.

The mission is expected to leave here for Chile Tuesday afternoon.

Industrial Structure Improves 'Significantly'

*OW1712035790 Taipei CNA in English 0246 GMT
17 Dec 90*

[Text] Taipei, Dec. 17 (CNA)—The Republic of China's [ROC]'s industrial structure progressed significantly in the past five years with the traditional industries gradually losing ground, it was reported Saturday.

A Council for Economic Planning and Development (CEPD) spokesman attributed the upgrading of industrial structure to the new Taiwan [NT] dollar's sharp appreciation since mid-1986. During the past four-odd years, the national currency appreciated over 40 percent against the US dollar.

A strong NT dollar has threatened the traditional, and usually labor-intensive, industries and forced the industrialists to manufacture products with higher added value, the spokesman explained.

As a result, the importance of traditional industries declined year by year, he added.

According to CEPD statistics, traditional industries accounted for 50 percent of the manufacturing sector's total production value in 1981. In 1986, the percentage still remained high at 49.1 percent, but it dropped to 44.5 percent in 1989 and is estimated to fall below 44 percent this year.

In exports, traditional industries took a lion's share of 59.8 percent of the country's overseas sales in 1981. The percentage fell to 54.9 percent in 1986 and downed further to 45.5 percent in 1989. It is also expected to drop below the 44-percent mark in 1990.

'Commotion' at Detention Center for Mainlanders

*OW1712035890 Taipei CNA in English 0255 GMT
17 Dec 90*

[Text] Taipei, Dec. 17 (CNA)—A commotion broke out Sunday morning in a northeastern Taiwan detention house where more than 300 illegal mainland immigrants are waiting their return to the mainland.

Some of the mainlanders who had smuggled themselves into Taiwan, had been in custody for more than four months, the Taiwan Garrison Command noted. Even though they knew they had to go back to the mainland, they were uncertain whether or not they could return to join their families before the Chinese Lunar New Year early next February, the command explained.

For humanitarian considerations, the command said, the mainland Red Cross Society should work more energetically than ever to get the mainlanders home.

The command said that it had asked the Red Cross Society of the Republic of China [ROC] to urge its mainland counterpart to quicken its identification procedures for the detainees.

Only 185 mainland immigrants have been sent back to the mainland since Red Cross Societies from both sides of the strait began on Oct. 8 to work together to arrange humane transportation home for the detainees.

Chen Chang-wen, secretary general of the ROC Red Cross Society, told the press he would contact his mainland counterpart in the hope that the pace of the identification procedures can be quickened.

Chen said he hoped two or three more groups of mainlanders could be escorted back to the other side of the Taiwan Strait before the year's end.

There are now some 600 illegal mainland immigrants being detained in Taiwan.

'Star' Industries To Play Key Role

OW1612001690 Taipei CNA in English 1513 GMT 15 Dec 90

[Text] Taipei, Dec. 15 (CNA)—The Republic of China's 10 "star" industries will play an important role in the nation's six-year development plan, the Council for Economic Planning and Development (CEPD) said Saturday.

They are industries in telecommunications, information, consumer electronics, semiconductor, precision machines and automation, aerospace, high-tech materials, special chemicals and pharmaceuticals, medical care, and pollution control.

These industries will be instrumental in improving the nation's industrial structure and upgrading the industrial level, CEPD said.

CEPD said these ten industries will help raise the nation's per capita production of the manufacturing industry from 65,000 U.S. dollars in 1989 to 96,000 U.S. dollars in 1996.

It expected the value of the ten industries' total output to reach 60.2 billion U.S. dollars in 1996, after growing at an annual rate of 13.6 percent. Last year, the figure was 24.7 billion U.S. dollars.

The ten industries' share of the world market will also rise from 1.43 percent in 1989 to 2.01 percent in 1996, CEPD added.

President Speaks on Constitutional Revision

OW1612023990 Taipei Domestic Service in Mandarin 2300 GMT 14 Dec 90

[From the "News and Commentary" program]

[Text] President Li Teng-hui will once again make an open and clear political pledge to end the period of suppressing communist rebellion within one year and complete the revision of the Constitution at the annual meeting of the Constitutional Research Committee of the National Assembly on 25 December this year in an effort to prove the government's sincerity and determination to promote constitutional reform.

(Hsiao Yuan-he), information secretary of the Presidential Office, formally confirmed the aforementioned expectation at yesterday's news conference at the Presidential Office when answering reporters' questions on whether the president would make any announcement at the annual meeting of the Constitutional Research Committee of the National Assembly on 25 December concerning the ending of the period of mobilization for suppressing communist rebellion and the present work on constitutional reform. He emphatically pointed out that it was a reasonable expectation.

In inspecting Kaohsiung County yesterday, President Li said that there would be no discrimination against any party or faction in national construction and asked all countrymen to work with concerted efforts. He said that at present the government and the ruling party are engaged actively in constitutional reform and that public opinion certainly will be respected in carrying out this important task of reform.

Premier Urges More Development of Energy Sources

OW1712095690 Taipei International Service in English 0200 GMT 15 Dec 90

[Text] Premier Hao Po-tsun has instructed related cabinet agencies to study the feasibility of utilizing the nation's foreign exchange reserves to purchase the rights to explore for foreign mineral deposits.

Hao issued the instruction during a cabinet meeting in a bid to expand the development of Taiwan's energy sources. He said the government should manage to construct nuclear power plant without undermining the safety of local residents.

The cabinet approved the revision to the energy policy for the Taiwan area under which local private sectors are encouraged to invest in gas exploration and coal mining abroad, and called for more efforts to intensify international cooperation in energy development.

Hong Kong

UK Franchises Said Safe After 1997

HK1612034490 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 16 Dec 90 p 1

[By Chris Yeung in Guangzhou]

[Text] British-backed firms will not be discriminated against when franchises straddling the 1997 handover are granted, China's key official in charge of Hong Kong affairs, Mr Lu Ping, said yesterday.

The assurance follows a major agreement reached by the Sino-British Joint Liaison Group [JLG] after four days of talks where Britain has promised to inform China about details of franchises that expire or are due for renewal around 1997.

Mr Lu, the director of the State Council's Hong Kong and Macao Affairs Office, said the agreement would help allay fears of the holders of major franchises as they would be assured of being able to continue or extend their agreements with the post-1997 Special Administrative Region government.

There had been fears that Beijing might cancel franchises held by utilities, public transport, cable and satellite, telecommunications, electricity and power companies when it takes over in 1997.

The head of the Chinese JLG team, Mr Guo Fengmin, declined to confirm whether franchises relating to the replacement airport at Chek Lap Kok would come under this agreement, but hinted it was a "a major franchise".

Speaking in Guangzhou where he is attending a Macao Basic Law meeting, Mr Lu said: "All the franchises should be included. Of course, the airport is included."

"Why do we want to be informed? It's because the future SAR might have to share part of the obligation. How do we know whether the SAR will be able to take that obligation? Does it have the capability to do so? These are the questions to be considered."

"We'll keep our hands off over those that only affect things before 1997."

While the JLG agreed in principle on how to deal with franchises, Mr Lu was asked whether the JLG would discuss the cases of franchise holders such as Hong Kong Gas, Hong Kong Electric and Hong Kong Telephone in future.

"Details will be left to the JLG over which franchise will have to be discussed," he said.

"We will give our views and hope that the British side will consider it." But he declined to say what measures China would take if its views were not heeded.

"Many of the issues are not unilateral but bilateral. The question of whether the contract (of the major franchises) will still be valid after 1997 involved the two sides. It's a matter for the future SAR government on whether the franchises are still valid," he said.

Mr Lu maintained that Chinese involvement in the granting of major franchises did not imply Chinese-funded firms would be given any special privilege nor would other foreign firms be discriminated against.

At present, British-funded companies have a dominant share of the territory's major franchises.

"What are the so-called pro-British firms? It's difficult to say."

It's not the question of whether the firms are pro-British or not, that is not the criteria," Mr Lu said.

"Any company, whether it comes from the United States, Britain or elsewhere, will be eligible. We hope that all the contracts of major franchise holders could continue to be valid after 1997."

He said it was only fair that Hong Kong businessmen would want a clear indication that contracts they have signed for franchises would be recognised after 1997.

"They also have to consider these problems. Otherwise, it might not put their minds at ease. If we are informed on these matters, their minds will be put at ease, our minds will be put at ease and everybody's minds will be put at ease," he said.

On elections, Mr Lu urged candidates from different backgrounds to take part in next year's three elections for the district, urban and legislative councils.

He dismissed suggestions that China would back candidates, saying "it is a matter of whether the candidates are supported by the people of Hong Kong but not the NEW CHINA NEWS AGENCY".

Also in Guangzhou, another senior official, Mr Chen Ziyang, was optimistic that the Sino-British row over the new airport could be solved if both sides stuck to the Joint Declaration and agreed to inform each other about major developments before 1997.

The director of the Chinese Foreign Ministry's Hong Kong and Macao Affairs Office, Mr Chen, said yesterday: "There are no insurmountable problems. No matter what problems we have, they all can be solved as long as we act strictly in accordance with the joint pact and agreed to let each other know what's going on. Of course, the earlier the problem is solved, the better."

He cited as "good signs" the long joint communique issued by both sides of the latest round of JLG talks which ended on Friday, saying he was optimistic relations between the two countries would further improve in future.

Meanwhile, a key mainland drafter of the Macao Basic Law, Mr Qian Weichang, who was also a core drafter of Hong Kong's post-1997 constitution, was discharged from hospital yesterday after suffering from a heart problem during a meeting on Thursday.

Kai Tak Airport Refurbishment Progresses

OW1612184890 Beijing XINHUA in English
1340 GMT 16 Dec 90

[Text] Hong Kong, December 16 (XINHUA)—The refurbishment work for Kai Tak Airport's passenger terminal building is progressing smoothly, according to a spokesman for Hong Kong's Civil Aviation Department.

The whole project which will cost a total of 289 million H.K. dollars (37 million U.S. dollars) is carried out in five stages, each with a duration of about five and a half months.

Work on the first phase started in mid-April this year and was completed with the renovated area re-opened in September.

The spokesman said: "We are now well into stage two of the program, with a significant part of the work being carried out in the public greeting area on the arrival level."

For early completion of the work, additional fund was used to start a considerable amount of night work, the spokesman said.

He said work on the second stage of the refurbishment program will be completed before the peak period of the Lunar New Year during which all normal facilities will be temporarily re-instated to cope with the expected increase in passenger traffic.

The whole project is scheduled to complete in mid-1992.

PLA Criticized Over Naval Base Issue

HK1612034690 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 16 Dec 90 p 2

[By Danny Gittings]

[Text] Misguided commercial greed on the part of the People's Liberation Army (PLA) is a major motive behind China's refusal to endorse the move of the HMS Tamar naval base to Stonecutters Island, according to leading academic experts and senior Government officials.

An authoritative official source suggested the Chinese team was under pressure from military officials in Beijing not to abandon the option of a base in Central.

"They (the PLA) want to inherit a valuable piece of real estate in 1997 because they believe they can generate a lot of income from it," he said.

Government officials said last week the sale of the Tamar site—as part of the Central-Wan Chai reclamation—could raise \$14 billion. But property analysts believe the present British Forces base would be worth even more—up to \$60 billion—if the whole site was turned over to commercial use.

Discussions on the topic during last week's session of the Sino-British Joint Liaison Group ended with the two sides no closer to an agreement.

The PLA generates much of its budget through using its land and assets for commercial purposes—branching out into everything from building tourist hotels to selling blood overseas. "These guys have to explore all possible ways and means of raising their own money," said Chinese University Professor Lee Ngok.

"They (the PLA) mistakenly believe that if they have a base there they'll own the land and could generate a substantial income from selling off bits of it," said an informed source, who has regular contacts with visiting mainland officials.

The British garrison does not own the land it is stationed on but merely has the use of it, and sources expect the same arrangement to apply to Chinese forces stationed here after 1997.

The Chinese defence industry has sought to increase its non-military means of making money in recent years—with up to 80 percent of manufacturing in military factories devoted to civilian purposes, generating up to two-thirds of this year's defence budget.

Experts believe this is a key factor behind the PLA's insistence on a base in Central for their future garrison, especially since—under the terms of the Joint Declaration—China, rather than Hong Kong, will be liable for its running costs.

"It's a prime asset and the Chinese military don't see why they should be deprived of it after the British forces have been allowed to use it for many decades," said Professor Lee.

Professor Lee—a leading expert on the Chinese military—agreed the differences over the issue were partly motivated by the PLA's desire for cash.

"It's the political factor motivated by economic considerations, that's important to them," said Professor Lee.

Requests for Emigration to South Africa Increase

HK1512023790 Hong Kong SOUTH CHINA
MORNING POST in English 15 Dec 90 p 1

[By Foreign Editor Richard Vines]

[Text] Emigration to South Africa has surged since March when Pretoria eased its regulations to attract professionals and skilled workers from Hong Kong, an official said yesterday.

The South African Consulate has issued 102 immigration permits to Hong Kong passport holders this year, compared with two last year and four in 1988.

Interest in the country has risen to such an extent that a senior immigration officer from the Department of Home Affairs in Pretoria will be transferred to the consulate this month.

"His sole responsibility will be immigration and we are hoping that will help to increase the number of applicants and the number of applications we can process," the South African official said.

"The idea is that some of the less complicated categories will be approved locally in Hong Kong," he added.

Inquiries rose sharply after the June 4 massacre, but the increase this year came despite determined moves by the African national Congress (ANC) to discourage Hong Kong people from working or investing in South Africa.

Last month, Mr Nelson Mandela, the ANC's deputy president, appealed to people in the territory to shun South Africa.

Pretoria has not yet begun a full-scale campaign to attract Hong Kong immigrants, partly because continuing violence in South Africa does not provide a suitable climate.

"We haven't really gone out actively to recruit people, so we're quite happy with the level of interest," the South African official said.

He said that as well as the 102 applications from Hong Kong people, the consulate had received a number from locally based people who held foreign passports.

Under Pretoria's relaxed immigration regulations, people with the required skills should be able to obtain permission to immigrate with a few weeks.

South Africa is looking for engineers, technicians, computer specialists and other professionals.

No New Curbs Over Nationality After 1997

HK1512023190 Hong Kong SOUTH CHINA
MORNING POST in English 15 Dec 90 p 1

[By Chris Yeung in Guangzhou]

[Text] China will not impose new restrictions after 1997 on Hong Kong people awarded passports under the British nationality package, the mainland's top official in charge of Hong Kong affairs, Mr Lu Ping, said yesterday.

He said government officials who benefited under the package could hold top posts in the Special Administrative Region [SAR] reserved for Chinese nationals as long as they relinquished their foreign nationality.

The Basic Law puts restrictions on top posts in the executive, legislature and judicial authorities of post-1997 Hong Kong.

Beijing also warned that it would take unspecified "corresponding measures" against the scheme.

However, Mr Lu made it clear yesterday that the corresponding measures were not aimed at individual applicants for the scheme for up to 50,000 Hong Kong heads of households.

It is understood the measures would be aimed at the British Government.

Mr Lu, director of the State Council's Hong Kong and Macao Affairs Office, said: "Private individuals will not be affected. There are a lot of foreign nationals in Hong Kong now. There will not any restrictions, say, on immigration for them."

The Basic Law stipulates that only Chinese nationals can become the Chief Executive, members of the Executive Council, chief justice of the Court of Final Appeal and High Court, secretary-level posts and heads of some sensitive departments such as the police.

Foreign nationals, more-over, can form no more than one-fifth of the post-1997 legislature.

Civil servants are worried that their promotion prospects might be jeopardised if they applied for and succeeded in securing British nationality.

Mr Lu said: "There will not be any effects (on their promotion). there are clear stipulations in the Basic Law.

"The major determinants are their performance, ability, seniority and qualifications. There is no other nationality restriction. Nationality should make no difference.

"They will be on an equal footing. You can take up any post as long as you are equalised. The nationality restrictions will only be applied to a very small number of people, they would not be discriminated against."

Mr Lu said beneficiaries of the nationality plan could join the civil service as long as they did not represent the British Government and they declared loyalty to the SAR government.

"Of course, if they want to take up the top posts that only Chinese nationals are qualified for they have to renounce their foreign nationality."

Chinese officials have said they are worried that "British people" rather than "Hong Kong people" would rule Hong Kong after 1997 if a considerable portion of the civil service were British passport holders.

Mr Lu, however, declined to be specific on whether these fears remained.

In addition to the Basic Law requirements, a Chinese source said China still insisted that beneficiaries of the

nationality scheme should not be entitled to consular protection in Hong Kong and China and that they could not use their passports as travel documents to enter and leave Hong Kong.

"China maintains that the document is not valid."

Guangdong Seeks Relaxed Border Restrictions

HK1512025590 Hong Kong SOUTH CHINA
MORNING POST in English 15 Dec 90 p 4

[Text] Guangdong has asked Beijing to relax border restrictions with Hong Kong to allow easier access to the mainland for foreign visitors and businessmen.

The province's governor, Mr Ye Xuanping, last night confirmed that a set of proposals had been submitted to the State Council for consideration.

He said talks would have to be held with the Hong Kong Government because the territory would be "slightly affected", if the relaxation was approved.

Mr Ye said Guangdong wanted freer movement of people and expertise across the Shenzhen River. He conceded that any relaxation could fuel cross-border smuggling activities, but stressed that larger border patrols would be introduced.

The Chief Secretary, Sir David Ford, returned to Hong Kong yesterday evening after a five-day visit to Guangdong and Guangxi.

He said the Guangdong Government had stepped up measures to curb the smuggling of stolen cars from Hong Kong.

Sir David also noted that the Guangxi authorities had tightened border controls to prevent Vietnamese boat people from using ports to take on supplies on their way to the territory.

Macao

Law-Drafting Group Ends Fifth Session

OW1512132390 Beijing XINHUA in English
1258 GMT 15 Dec 90

[Text] Guangzhou, December 15 (XINHUA)—The fifth session of the Committee for Drafting the Basic Law of the Macao Special Administrative Region (MSAR) ended here today.

Ji Pengfei, committee chairman, delivered a speech at the closing ceremony in which he said that during the past four days committee members seriously examined and discussed the articles of the Basic Law. A consensus was basically reached on most of the articles, he said, adding that the articles were in line with actual conditions in Macao and embodied the policy of "one country, two systems," as well as the central government's basic policy towards Macao.

Committee members offered concrete opinions and revision proposals during the past four days discussions. Ji expressed hope that the articles be amended further by the committee members after investigations and full consultation.

A decision to hold the sixth session in Beijing next April was reached yesterday afternoon during a meeting attended by the chairman, vice-chairmen and general secretary of the Drafting Committee.

In addition, a new draft of the MSAR Basic Law will be discussed and passed during the seventh session scheduled for next July.

Ji said that some articles still need to be amended, while other articles need to be drafted, and he called on committee members to make even greater efforts in their work.

Ji said that during the past year the Drafting Committee has cooperated closely with the Consultative Committee. He urged the Consultative Committee to continue in its role as a bridge between the Drafting Committee and people from all walks in Macao.

The fifth session also included discussions on methods for collecting and discussing the design of the MSAR flag and emblem.

XINHUA Office Promotes Dialogue

HK1512022790 Hong Kong SOUTH CHINA
MORNING POST in English 15 Dec 90 p 2

[By Adam Lee in Macao]

[Text] Macao branch of the New China News Agency (NCNA) is maintaining regular contact with the Government "through the proper channels" over problems facing the enclave, according to the agency's director, Mr Guo Dongpo.

The problems include the possible noise pollution caused by Macao's international airport and amnesty for illegal immigrants.

In the past few weeks, NCNA officials have repeated that China would not interfere in Macao's internal affairs.

Speaking at a Macao Basic Law Drafting Committee meeting yesterday, Mr Guo said China and Portugal had both fulfilled their obligations in implementing the Sino-Portuguese Joint Declaration to ensure the territory's well being.

"Anything involving the administration of Macao must be taken care of by the Macao Government," Mr Guo said.

But he added that if the problems affected Macao's stability and prosperity, then both sides should take proper measures to exchange views through proper channels rather than through the news media "to prevent possible misunderstanding".

"The current method of talking over a dinner or tea reception is very good. I have had no difficulties with the Portuguese in the past six months since I came to Macao to take over as NCNA director," Mr Guo said.

Decision on Collecting Macao Flag Designs

*OW1512193190 Beijing XINHUA in English
1544 GMT 15 Dec 90*

[Text] Guangzhou, December 15 (XINHUA)—The official designs for the flag and emblem of the future Macao Special Administrative Region (MSAR) will be selected from among entries collected during 1991 and 1992.

Members of the Drafting Committee of the MSAR decided today on the methods for collecting designs and for selecting the winning design.

Designs will be accepted from both Macao and the mainland from February to June, 1991. Fifteen flag and 15 emblem designs will be selected by the end of September. After a rigorous selection process three designs each for the flag and the emblem will be chosen in March 1992. A full session of the drafting committee members, which will be held by the end of 1992, will choose the winning designs.

The designs, together with a draft of the Basic Law of the MSAR, will then be submitted to the Standing Committee of the National People's Congress for approval.

The rules stipulate that the designs should reflect the spirit of "one country, two systems" and should depict the special features of Macao. The rules also stipulate that the designs should be magnificent and beautiful.

End